

# State of Delaware - Quarterly Financial Reporting

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FY17 Q4 Cost Analysis

September 2017  
(updated September 2018)

**Willis Towers Watson** 

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## State of Delaware

### Health Plan Quarterly Financial Reporting

#### FY17 Q4 Executive Summary

#### Overall medical and prescription drug results

- Total active and retiree medical and prescription drug cost for the period of July 1, 2016 through June 30, 2017 is \$753.9M which is approximately 94% of the \$802.3M budget (or 6% below budget), resulting in a surplus of \$48.4M
  - Active total medical/Rx cost: \$529.7M (11% below budget)
  - Non-Medicare eligible retiree total medical/Rx cost: \$107.6M (36% above budget)
  - Combined Active and Non-Medicare eligible retiree population is running 5% below budget. Non-Medicare eligible retiree program costs are expected to exceed budget due to the combined active/retiree experience pool used to develop budget rates
  - Medicare eligible retiree total medical/Rx cost: \$116.6M (10% below budget)
- Overall medical and prescription drug costs per employee increased 3.9% over FY16 (+6.7% medical, -5.3% prescription drug)

#### Summary plan information

- Summary Plan Information through June 2017

| FY2017                  | Total    | Aetna    | Highmark | Active   | Pre-65 Retiree | Medicare Retiree |
|-------------------------|----------|----------|----------|----------|----------------|------------------|
| <b>Summary (total)</b>  |          |          |          |          |                |                  |
| Total cost (\$M)        | \$753.9  | \$43.8   | \$710.1  | \$529.7  | \$107.6        | \$116.6          |
| Budgeted cost (\$M)     | \$802.3  | \$52.2   | \$750.1  | \$593.6  | \$79.4         | \$129.3          |
| Loss ratio              | 94%      | 84%      | 95%      | 89%      | 136%           | 90%              |
| PEPY                    | \$10,887 | \$12,169 | \$10,816 | \$14,008 | \$17,195       | \$4,632          |
| % increase over prior   | 3.9%     | -0.5%    | 4.2%     | 5.6%     | 6.6%           | -1.5%            |
| # of enrolled employees | 69,251   | 3,602    | 65,649   | 37,812   | 6,258          | 25,182           |

#### Key medical and prescription drug cost drivers - Actives

- Truven Executive Dashboard for July '16-June '17 (compared to July '15-June '16 prior period) details the following trends and cost drivers:
  - The number of high cost claimants (>=\$100k in medical and Rx net payments) increased 6%; total payments for high cost patients increased 10% to \$113.7M
  - Inpatient allowed per admit increased 11% over prior period while the number of admits increased 2%
  - Although prevalence of chronic conditions decreased for most categories, diabetes prevalence increased 4% over the prior period, and antidiabetic agents (insulins and miscellaneous) remained the costliest therapeutic class of drugs
  - Prescription drug average cost per day supply decreased 3% while specialty Rx as a percentage of total Rx spend increased from 28% to 32%

#### Additional notes

- Claims and other expenses are reported on a paid basis
- Medical/Rx budget is based on FY17 budget rates developed by Segal Consulting.
- Paid claims and enrollment data based on reports from Aetna, Highmark, and ESI. Costs include operating expenses.
- Expenses are broken down into two categories:
  - ASO Fees: includes fees for vendor administration, COBRA administration, ACA-related (TRF & PCORI), Truven data analytics, EAP and Segal and WTW consulting
  - Office Operational Expenses: includes expenses for items such as staff salaries, supplies, etc.
- Rx rebates and EGWP payments are shown based on the period to which the offsets are attributable, rather than the actual payment received in a given period.
- No adjustments made to cost tracking for large claims as the State does not have stop loss insurance
- HRA dollars are assumed to be included in the reported claims
- Participating groups (such as University of DE) are included in the cost tracking, but are assumed to be 100% employee paid. As a result, reported net cost and cost share percentages may be skewed.

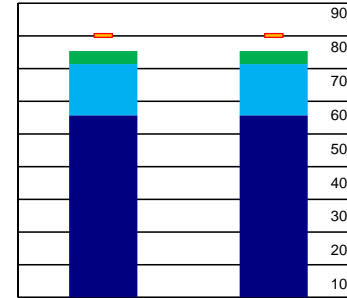
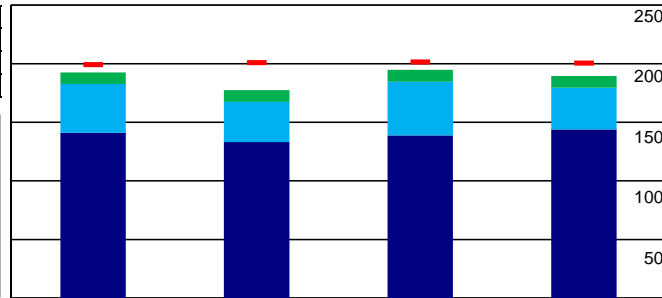
# State of Delaware

## Health Plan Quarterly Financial Reporting

### FY17 Q4 Plan Cost Analysis

|        | Drop-Down Choices |
|--------|-------------------|
| Status | Total             |
| Vendor | Total             |
| Plan   | Total             |

|                               |
|-------------------------------|
| <b>Legend</b>                 |
| — Medical/Rx Budget           |
| ■ Fees and Op. Expenses       |
| ■ Rx (incl. Rebates and EGWP) |
| ■ Medical (incl. capitation)  |



|  | Q1 2017              | Q2 2017              | Q3 2017              | Q4 2017              |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>Total Program Cost</b>                          | <b>\$192,489,481</b> | <b>\$177,399,275</b> | <b>\$194,616,244</b> | <b>\$189,408,541</b> |
| - Paid Claims                                      | 182,550,934          | 167,361,863          | 184,513,599          | 179,331,699          |
| - <b>Medical (includes capitation<sup>1</sup>)</b> | 140,935,442          | 133,083,745          | 138,791,075          | 143,807,242          |
| - Capitation                                       | 616,436              | 623,060              | 715,209              | 937,879              |
| - <b>Rx (Including Rebates and EGWP)</b>           | 41,615,492           | 34,278,118           | 45,722,524           | 35,524,457           |
| - Rx Paid Claims                                   | 61,533,669           | 53,364,776           | 62,860,965           | 53,687,444           |
| - EGWP   | (9,108,785)          | (8,257,575)          | (6,208,904)          | (7,257,702)          |
| - Direct Subsidy                                   | (1,995,813)          | (1,696,056)          | (1,288,622)          | (1,259,612)          |
| - CGDP   | (4,549,639)          | (3,998,185)          | (2,032,281)          | (3,110,089)          |
| - Catastrophic Reinsurance                         | (2,563,334)          | (2,563,334)          | (2,888,001)          | (2,888,001)          |
| - Rx Rebates <sup>2</sup>                          | (10,809,392)         | (10,829,083)         | (10,929,537)         | (10,905,285)         |
| - <b>ASO Fees</b>                                  | 9,239,450            | 9,331,361            | 9,392,005            | 9,368,017            |
| - <b>Operational Expenses</b>                      | 699,097              | 706,051              | 710,640              | 708,825              |
| <b>Medical/Rx Budget</b>                           | <b>\$199,267,650</b> | <b>\$200,945,750</b> | <b>\$201,543,661</b> | <b>\$200,493,884</b> |
| - Surplus/(Deficit)                                | 6,778,170            | 23,546,475           | 6,927,417            | 11,085,343           |
| - Total Cost as % of Budget                        | 97%                  | 88%                  | 97%                  | 94%                  |
| <b>Current Year Per Capita</b>                     |                      |                      |                      |                      |
| - Total per employee per year <sup>3</sup>         | 11,231               | 10,248               | 11,170               | 10,899               |
| - Total % change over prior                        | 4.7%                 | 10.3%                | 2.0%                 | -0.3%                |
| - Medical per employee per year                    | 8,725                | 8,190                | 8,468                | 8,777                |
| - Medical % change over prior                      | 8.8%                 | 13.7%                | 4.2%                 | 1.4%                 |
| - Rx per employee per year                         | 2,465                | 2,017                | 2,661                | 2,081                |
| - Rx % change over prior                           | -7.6%                | -1.7%                | -4.5%                | -6.7%                |
| - Medical per member per year                      | 4,851                | 4,559                | 4,710                | 4,907                |
| - Rx per member per year                           | 1,370                | 1,123                | 1,480                | 1,163                |
| - Total per member per year <sup>3</sup>           | 6,244                | 5,704                | 6,212                | 6,093                |
| <b>Prior Year Results</b>                          | <b>Q1 2016</b>       | <b>Q2 2016</b>       | <b>Q3 2016</b>       | <b>Q4 2016</b>       |
| - Total Program Cost <sup>3</sup>                  | 181,013,303          | 158,044,120          | 186,997,733          | 186,709,173          |
| - Total Program Cost \$ change                     | 11,476,177           | 19,355,155           | 7,618,512            | 2,699,368            |
| - Total per employee per year <sup>3</sup>         | 10,726               | 9,295                | 10,950               | 10,929               |
| - Medical per employee per year                    | 8,022                | 7,206                | 8,128                | 8,653                |
| - Rx per employee per year                         | 2,668                | 2,052                | 2,787                | 2,232                |
| <b>EE Contributions</b>                            | <b>\$38,117,476</b>  | <b>\$38,969,229</b>  | <b>\$38,972,534</b>  | <b>\$38,876,752</b>  |
| - Net SoD <sup>4</sup>                             | 154,372,004          | 138,430,047          | 155,643,710          | 150,531,789          |
| - SoD Subsidy %                                    | 80%                  | 78%                  | 80%                  | 79%                  |
| <b>Headcount</b>                                   |                      |                      |                      |                      |
| - Enrolled Ees                                     | 68,559               | 69,241               | 69,691               | 69,513               |
| - Enrolled Members                                 | 123,321              | 124,403              | 125,307              | 124,346              |
| - Member/EE Ratio                                  | 1.8                  | 1.8                  | 1.8                  | 1.8                  |

| YTD 2017             | Proj. FY2017 <sup>4</sup> |
|----------------------|---------------------------|
| <b>\$753,913,542</b> | <b>\$753,913,542</b>      |
| 713,758,095          | 713,758,095               |
| 556,617,504          | 556,617,504               |
| 2,892,584            | 2,892,584                 |
| 157,140,591          | 157,140,591               |
| 231,446,854          | 231,446,854               |
| (30,832,967)         | (30,832,967)              |
| (6,240,103)          | (6,240,103)               |
| (13,690,194)         | (13,690,194)              |
| (10,902,671)         | (10,902,671)              |
| (43,473,296)         | (43,473,296)              |
| 37,330,833           | 37,330,833                |
| 2,824,614            | 2,824,614                 |
| <b>\$802,250,946</b> | <b>\$802,250,946</b>      |
| 48,337,404           | 48,337,404                |
| 94%                  | 94%                       |
| 10,887               | 10,887                    |
| 3.9%                 | 3.9%                      |
| 8,540                | 8,540                     |
| 6.7%                 | 6.7%                      |
| 2,306                | 2,306                     |
| -5.3%                | -5.3%                     |
| 4,756                | 4,756                     |
| 1,284                | 1,284                     |
| 6,063                | 6,063                     |
| 712,764,330          | 712,764,330               |
| 41,149,212           | 41,149,212                |
| 10,475               | 10,475                    |
| 8,003                | 8,003                     |
| 2,434                | 2,434                     |
| <b>\$154,935,992</b> | <b>\$154,935,992</b>      |
| 598,977,550          | 598,977,550               |
| 79%                  | 79%                       |
| 69,251               | 69,251                    |
| 124,344              | 124,344                   |
| 1.8                  | 1.8                       |

<sup>1</sup> Capitation payments apply to HMO and POS plans only

<sup>2</sup> Reflects actual paid rebates attributable to Q1 and Q2 FY17; remaining quarters estimated based on expected rebates under new ESI contract based on WTW analysis

<sup>3</sup> Program cost and PEPM values also include ASO fees and operational expenses

<sup>4</sup> Participating groups are assumed to be 100% EE funded, and Medicare retirees are assumed to be fully subsidized

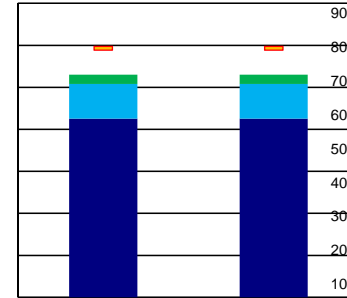
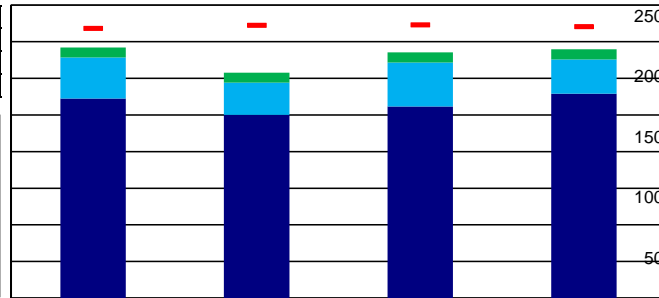
# State of Delaware

## Health Plan Quarterly Financial Reporting

### FY17 Q4 Plan Cost Analysis

|        | Drop-Down Choices |
|--------|-------------------|
| Status | Active            |
| Vendor | Total             |
| Plan   | Total             |

|                               |
|-------------------------------|
| <b>Legend</b>                 |
| — Medical/Rx Budget           |
| ■ Fees and Op. Expenses       |
| ■ Rx (incl. Rebates and EGWP) |
| ■ Medical (incl. capitation)  |



|  | Q1 2017              | Q2 2017              | Q3 2017              | Q4 2017              |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>Total Program Cost</b>                          | <b>\$136,761,585</b> | <b>\$123,070,044</b> | <b>\$134,066,336</b> | <b>\$135,781,963</b> |
| - Paid Claims                                      | 131,340,243          | 117,572,307          | 128,545,549          | 130,296,692          |
| - <b>Medical (includes capitation<sup>1</sup>)</b> | 108,918,507          | 99,945,276           | 104,598,489          | 111,558,892          |
| - Capitation                                       | 548,178              | 555,774              | 640,970              | 839,168              |
| - <b>Rx (Including Rebates and EGWP)</b>           | 22,421,736           | 17,627,031           | 23,947,060           | 18,737,800           |
| - Rx Paid Claims                                   | 27,144,342           | 22,697,870           | 28,956,542           | 23,635,038           |
| - EGWP   | 0                    | 0                    | 0                    | 0                    |
| - Direct Subsidy                                   | 0                    | 0                    | 0                    | 0                    |
| - CGDP   | 0                    | 0                    | 0                    | 0                    |
| - Catastrophic Reinsurance                         | 0                    | 0                    | 0                    | 0                    |
| - Rx Rebates <sup>2</sup>                          | (4,722,606)          | (5,070,839)          | (5,009,482)          | (4,897,238)          |
| - <b>ASO Fees</b>                                  | 5,039,994            | 5,111,016            | 5,132,444            | 5,099,426            |
| - <b>Operational Expenses</b>                      | 381,348              | 386,722              | 388,343              | 385,845              |
| <b>Medical/Rx Budget</b>                           | <b>\$147,212,257</b> | <b>\$148,897,168</b> | <b>\$149,216,047</b> | <b>\$148,230,227</b> |
| - Surplus/(Deficit)                                | 10,450,672           | 25,827,124           | 15,149,711           | 12,448,264           |
| - Total Cost as % of Budget                        | 93%                  | 83%                  | 90%                  | 92%                  |
| <b>Current Year Per Capita</b>                     |                      |                      |                      |                      |
| - Total per employee per year <sup>3</sup>         | 14,628               | 12,980               | 14,081               | 14,354               |
| - Total % change over prior                        | 7.7%                 | 10.2%                | 4.5%                 | 0.8%                 |
| - Medical per employee per year                    | 12,152               | 11,044               | 11,488               | 12,295               |
| - Medical % change over prior                      | 10.6%                | 13.3%                | 5.8%                 | 2.2%                 |
| - Rx per employee per year                         | 2,435                | 1,896                | 2,552                | 2,018                |
| - Rx % change over prior                           | -4.9%                | -4.9%                | -1.2%                | -6.6%                |
| - Medical per member per year                      | 5,121                | 4,669                | 4,841                | 5,205                |
| - Rx per member per year                           | 1,026                | 801                  | 1,075                | 854                  |
| - Total per member per year <sup>3</sup>           | 6,164                | 5,487                | 5,934                | 6,076                |
| <b>Prior Year Results</b>                          | <b>Q1 2016</b>       | <b>Q2 2016</b>       | <b>Q3 2016</b>       | <b>Q4 2016</b>       |
| - Total Program Cost <sup>3</sup>                  | 125,840,731          | 110,501,984          | 126,912,971          | 133,775,866          |
| - Total Program Cost \$ change                     | 10,920,854           | 12,568,060           | 7,153,365            | 2,006,097            |
| - Total per employee per year <sup>3</sup>         | 13,580               | 11,775               | 13,480               | 14,237               |
| - Medical per employee per year                    | 10,983               | 9,746                | 10,861               | 12,034               |
| - Rx per employee per year                         | 2,561                | 1,993                | 2,584                | 2,159                |
| <b>EE Contributions</b>                            | <b>\$34,908,302</b>  | <b>\$35,757,766</b>  | <b>\$35,774,627</b>  | <b>\$35,723,064</b>  |
| - Net SoD <sup>4</sup>                             | 101,853,283          | 87,312,278           | 98,291,709           | 100,058,899          |
| - SoD Subsidy %                                    | 74%                  | 71%                  | 73%                  | 74%                  |
| <b>Headcount</b>                                   |                      |                      |                      |                      |
| - Enrolled Ees                                     | 37,398               | 37,925               | 38,084               | 37,839               |
| - Enrolled Members                                 | 88,753               | 89,712               | 90,377               | 89,384               |
| - Member/EE Ratio                                  | 2.4                  | 2.4                  | 2.4                  | 2.4                  |

| YTD 2017             | Proj. FY2017 <sup>4</sup> |
|----------------------|---------------------------|
| <b>\$529,679,928</b> | <b>\$529,679,928</b>      |
| 507,754,791          | 507,754,791               |
| 425,021,164          | 425,021,164               |
| 2,584,090            | 2,584,090                 |
| 82,733,627           | 82,733,627                |
| 102,433,792          | 102,433,792               |
| 0                    | 0                         |
| 0                    | 0                         |
| 0                    | 0                         |
| 0                    | 0                         |
| 0                    | 0                         |
| (19,700,165)         | (19,700,165)              |
| 20,382,879           | 20,382,879                |
| 1,542,258            | 1,542,258                 |
| <b>\$593,555,698</b> | <b>\$593,555,698</b>      |
| 63,875,770           | 63,875,770                |
| 89%                  | 89%                       |
| 14,008               | 14,008                    |
| 5.6%                 | 5.6%                      |
| 11,743               | 11,743                    |
| 7.7%                 | 7.7%                      |
| 2,225                | 2,225                     |
| -4.3%                | -4.3%                     |
| 4,958                | 4,958                     |
| 939                  | 939                       |
| 5,914                | 5,914                     |
| 497,031,552          | 497,031,552               |
| 32,648,376           | 32,648,376                |
| 13,267               | 13,267                    |
| 10,906               | 10,906                    |
| 2,324                | 2,324                     |
| <b>\$142,163,760</b> | <b>\$142,163,760</b>      |
| 387,516,168          | 387,516,168               |
| 73%                  | 73%                       |
| 37,812               | 37,812                    |
| 89,557               | 89,557                    |
| 2.4                  | 2.4                       |

<sup>1</sup> Capitation payments apply to HMO and POS plans only

<sup>2</sup> Reflects actual paid rebates attributable to Q1 and Q2 FY17; remaining quarters estimated based on expected rebates under new ESI contract based on WTW analysis

<sup>3</sup> Program cost and PEPM values also include ASO fees and operational expenses

<sup>4</sup> Participating groups are assumed to be 100% EE funded, and Medicare retirees are assumed to be fully subsidized

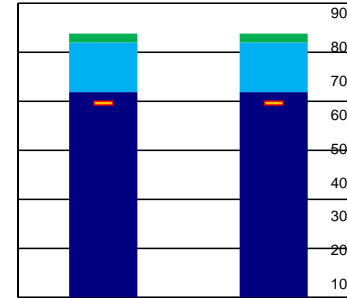
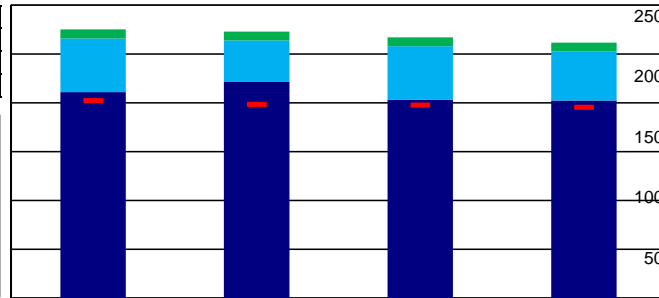
# State of Delaware

## Health Plan Quarterly Financial Reporting

### FY17 Q4 Plan Cost Analysis

|        | Drop-Down Choices    |
|--------|----------------------|
| Status | Non-Medicare Retiree |
| Vendor | Total                |
| Plan   | Total                |

|                               |
|-------------------------------|
| <b>Legend</b>                 |
| — Medical/Rx Budget           |
| ■ Fees and Op. Expenses       |
| ■ Rx (incl. Rebates and EGWP) |
| ■ Medical (incl. capitation)  |



|  | Q1 2017             | Q2 2017             | Q3 2017             | Q4 2017             |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Total Program Cost</b>                          | <b>\$27,505,375</b> | <b>\$27,269,512</b> | <b>\$26,689,418</b> | <b>\$26,139,941</b> |
| - Paid Claims                                      | 26,582,972          | 26,366,245          | 25,782,817          | 25,243,487          |
| - <b>Medical (includes capitation<sup>1</sup>)</b> | 21,074,879          | 22,113,637          | 20,316,826          | 20,229,068          |
| - Capitation                                       | 68,258              | 67,286              | 74,239              | 98,711              |
| - <b>Rx (Including Rebates and EGWP)</b>           | 5,508,093           | 4,252,608           | 5,465,991           | 5,014,419           |
| - Rx Paid Claims                                   | 6,668,242           | 5,475,973           | 6,609,421           | 6,130,782           |
| - EGWP   | 0                   | 0                   | 0                   | 0                   |
| - Direct Subsidy                                   | 0                   | 0                   | 0                   | 0                   |
| - CGDP   | 0                   | 0                   | 0                   | 0                   |
| - Catastrophic Reinsurance                         | 0                   | 0                   | 0                   | 0                   |
| - Rx Rebates <sup>2</sup>                          | (1,160,149)         | (1,223,365)         | (1,143,430)         | (1,116,363)         |
| - <b>ASO Fees</b>                                  | 857,519             | 839,729             | 842,829             | 833,395             |
| - <b>Operational Expenses</b>                      | 64,884              | 63,538              | 63,772              | 63,058              |
| <b>Medical/Rx Budget</b>                           | <b>\$20,215,506</b> | <b>\$19,840,462</b> | <b>\$19,775,393</b> | <b>\$19,535,533</b> |
| - Surplus/(Deficit)                                | (7,289,869)         | (7,429,050)         | (6,914,025)         | (6,604,407)         |
| - Total Cost as % of Budget                        | 136%                | 137%                | 135%                | 134%                |
| <b>Current Year Per Capita</b>                     |                     |                     |                     |                     |
| - Total per employee per year <sup>3</sup>         | 17,291              | 17,506              | 17,070              | 16,908              |
| - Total % change over prior                        | 3.9%                | 18.1%               | 3.1%                | 2.5%                |
| - Medical per employee per year                    | 13,751              | 14,698              | 13,497              | 13,587              |
| - Medical % change over prior                      | 6.9%                | 24.8%               | 6.6%                | 1.7%                |
| - Rx per employee per year                         | 3,499               | 2,767               | 3,533               | 3,280               |
| - Rx % change over prior                           | -6.7%               | -8.3%               | -8.3%               | 6.2%                |
| - Medical per member per year                      | 8,956               | 9,534               | 8,814               | 8,871               |
| - Rx per member per year                           | 2,279               | 1,795               | 2,307               | 2,142               |
| - Total per member per year <sup>3</sup>           | 11,261              | 11,355              | 11,147              | 11,039              |
| <b>Prior Year Results</b>                          | <b>Q1 2016</b>      | <b>Q2 2016</b>      | <b>Q3 2016</b>      | <b>Q4 2016</b>      |
| - Total Program Cost <sup>3</sup>                  | 26,575,217          | 23,457,265          | 26,004,733          | 25,557,838          |
| - Total Program Cost \$ change                     | 930,158             | 3,812,247           | 684,685             | 582,102             |
| - Total per employee per year <sup>3</sup>         | 16,648              | 14,828              | 16,550              | 16,493              |
| - Medical per employee per year                    | 12,861              | 11,776              | 12,664              | 13,361              |
| - Rx per employee per year                         | 3,751               | 3,016               | 3,852               | 3,088               |
| <b>EE Contributions</b>                            | <b>\$3,100,596</b>  | <b>\$3,101,908</b>  | <b>\$3,087,182</b>  | <b>\$3,042,964</b>  |
| - Net SoD <sup>4</sup>                             | 24,404,778          | 24,167,604          | 23,602,236          | 23,096,977          |
| - SoD Subsidy %                                    | 89%                 | 89%                 | 88%                 | 88%                 |
| <b>Headcount</b>                                   |                     |                     |                     |                     |
| - Enrolled Ees                                     | 6,363               | 6,231               | 6,254               | 6,184               |
| - Enrolled Members                                 | 9,770               | 9,606               | 9,577               | 9,472               |
| - Member/EE Ratio                                  | 1.5                 | 1.5                 | 1.5                 | 1.5                 |

| YTD 2017             | Proj. FY2017 <sup>4</sup> |
|----------------------|---------------------------|
| <b>\$107,604,246</b> | <b>\$107,604,246</b>      |
| 103,975,521          | 103,975,521               |
| 83,734,410           | 83,734,410                |
| 308,494              | 308,494                   |
| 20,241,111           | 20,241,111                |
| 24,884,418           | 24,884,418                |
| 0                    | 0                         |
| 0                    | 0                         |
| 0                    | 0                         |
| 0                    | 0                         |
| 0                    | 0                         |
| (4,643,307)          | (4,643,307)               |
| 3,373,473            | 3,373,473                 |
| 255,252              | 255,252                   |
| <b>\$79,366,894</b>  | <b>\$79,366,894</b>       |
| <b>(28,237,352)</b>  | <b>(28,237,352)</b>       |
| 136%                 | 136%                      |
| 17,195               | 17,195                    |
| 6.6%                 | 6.6%                      |
| 13,883               | 13,883                    |
| 9.6%                 | 9.6%                      |
| 3,271                | 3,271                     |
| -4.6%                | -4.6%                     |
| 9,044                | 9,044                     |
| 2,131                | 2,131                     |
| 11,201               | 11,201                    |
| 101,595,053          | 101,595,053               |
| 6,009,193            | 6,009,193                 |
| 16,128               | 16,128                    |
| 12,662               | 12,662                    |
| 3,428                | 3,428                     |
| <b>\$12,332,650</b>  | <b>\$12,332,650</b>       |
| 95,271,595           | 95,271,595                |
| 89%                  | 89%                       |
| 6,258                | 6,258                     |
| 9,606                | 9,606                     |
| 1.5                  | 1.5                       |

<sup>1</sup> Capitation payments apply to HMO and POS plans only

<sup>2</sup> Reflects actual paid rebates attributable to Q1 and Q2 FY17; remaining quarters estimated based on expected rebates under new ESI contract based on WTW analysis

<sup>3</sup> Program cost and PEPM values also include ASO fees and operational expenses

<sup>4</sup> Participating groups are assumed to be 100% EE funded, and Medicare retirees are assumed to be fully subsidized

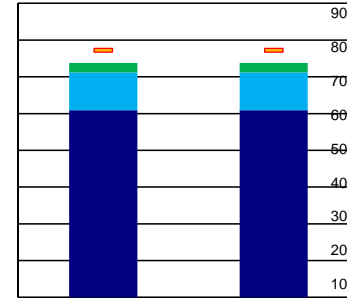
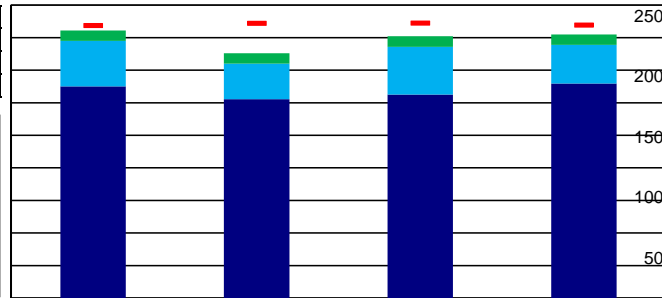
# State of Delaware

## Health Plan Quarterly Financial Reporting

### FY17 Q4 Plan Cost Analysis

|        | Drop-Down Choices             |
|--------|-------------------------------|
| Status | Active & Non-Medicare Retiree |
| Vendor | Total                         |
| Plan   | Total                         |

| Legend                        |
|-------------------------------|
| - Medical/Rx Budget           |
| ■ Fees and Op. Expenses       |
| ■ Rx (incl. Rebates and EGWP) |
| ■ Medical (incl. capitation)  |



|   | Q1 2017              | Q2 2017              | Q3 2017              | Q4 2017              |
|---|----------------------|----------------------|----------------------|----------------------|
| <b>Total Program Cost</b>                     | <b>\$164,266,959</b> | <b>\$150,339,557</b> | <b>\$160,755,754</b> | <b>\$161,921,904</b> |
| - Paid Claims                                 | 157,923,215          | 143,938,552          | 154,328,366          | 155,540,179          |
| - Medical (includes capitation <sup>1</sup> ) | 129,993,386          | 122,058,913          | 124,915,315          | 131,787,960          |
| - Capitation                                  | 616,436              | 623,060              | 715,209              | 937,879              |
| - Rx (Including Rebates and EGWP)             | 27,929,829           | 21,879,639           | 29,413,051           | 23,752,219           |
| - Rx Paid Claims                              | 33,812,584           | 28,173,843           | 35,565,963           | 29,765,820           |
| - EGWP  | 0                    | 0                    | 0                    | 0                    |
| - Direct Subsidy                              | 0                    | 0                    | 0                    | 0                    |
| - CGDP  | 0                    | 0                    | 0                    | 0                    |
| - Catastrophic Reinsurance                    | 0                    | 0                    | 0                    | 0                    |
| - Rx Rebates <sup>2</sup>                     | (5,882,755)          | (6,294,204)          | (6,152,912)          | (6,013,601)          |
| - ASO Fees                                    | 5,897,513            | 5,950,745            | 5,975,273            | 5,932,821            |
| - Operational Expenses                        | 446,232              | 450,259              | 452,115              | 448,903              |
| <b>Medical/Rx Budget</b>                      | <b>\$167,427,762</b> | <b>\$168,737,630</b> | <b>\$168,991,440</b> | <b>\$167,765,760</b> |
| - Surplus/(Deficit)                           | 3,160,803            | 18,398,073           | 8,235,685            | 5,843,857            |
| - Total Cost as % of Budget                   | 98%                  | 89%                  | 95%                  | 97%                  |
| <b>Current Year Per Capita</b>                |                      |                      |                      |                      |
| - Total per employee per year <sup>3</sup>    | 15,015               | 13,619               | 14,503               | 14,712               |
| - Total % change over prior                   | 7.0%                 | 11.5%                | 4.2%                 | 1.1%                 |
| - Medical per employee per year               | 12,384               | 11,559               | 11,772               | 12,477               |
| - Medical % change over prior                 | 10.0%                | 15.1%                | 5.9%                 | 2.1%                 |
| - Rx per employee per year                    | 2,590                | 2,019                | 2,690                | 2,195                |
| - Rx % change over prior                      | -5.4%                | -5.7%                | -2.7%                | -4.2%                |
| - Medical per member per year                 | 5,501                | 5,139                | 5,222                | 5,556                |
| - Rx per member per year                      | 1,150                | 898                  | 1,193                | 977                  |
| - Total per member per year <sup>3</sup>      | 6,669                | 6,055                | 6,433                | 6,552                |
| <b>Prior Year Results</b>                     | <b>Q1 2016</b>       | <b>Q2 2016</b>       | <b>Q3 2016</b>       | <b>Q4 2016</b>       |
| - Total Program Cost <sup>3</sup>             | 152,415,947          | 133,959,249          | 152,917,704          | 159,333,704          |
| - Total Program Cost \$ change                | 11,851,012           | 16,380,307           | 7,838,050            | 2,588,199            |
| - Total per employee per year <sup>3</sup>    | 14,031               | 12,215               | 13,919               | 14,556               |
| - Medical per employee per year               | 11,259               | 10,039               | 11,119               | 12,222               |
| - Rx per employee per year                    | 2,736                | 2,140                | 2,765                | 2,291                |
| <b>EE Contributions</b>                       | <b>\$38,008,898</b>  | <b>\$38,859,675</b>  | <b>\$38,861,810</b>  | <b>\$38,766,028</b>  |
| - Net SoD <sup>4</sup>                        | 126,258,061          | 111,479,882          | 121,893,945          | 123,155,876          |
| - SoD Subsidy %                               | 77%                  | 74%                  | 76%                  | 76%                  |
| <b>Headcount</b>                              |                      |                      |                      |                      |
| - Enrolled Ees                                | 43,761               | 44,156               | 44,338               | 44,023               |
| - Enrolled Members                            | 98,523               | 99,318               | 99,954               | 98,856               |
| - Member/EE Ratio                             | 2.3                  | 2.2                  | 2.3                  | 2.2                  |

| YTD 2017             | Proj. FY2017 <sup>4</sup> |
|----------------------|---------------------------|
| <b>\$637,284,174</b> | <b>\$637,284,174</b>      |
| 611,730,312          | 611,730,312               |
| 508,755,574          | 508,755,574               |
| 2,892,584            | 2,892,584                 |
| 102,974,738          | 102,974,738               |
| 127,318,210          | 127,318,210               |
| 0                    | 0                         |
| 0                    | 0                         |
| 0                    | 0                         |
| 0                    | 0                         |
| 0                    | 0                         |
| (24,343,472)         | (24,343,472)              |
| 23,756,352           | 23,756,352                |
| 1,797,509            | 1,797,509                 |
| <b>\$672,922,592</b> | <b>\$672,922,592</b>      |
| 35,638,418           | 35,638,418                |
| 95%                  | 95%                       |
| 14,461               | 14,461                    |
| 5.7%                 | 5.7%                      |
| 12,047               | 12,047                    |
| 8.0%                 | 8.0%                      |
| 2,373                | 2,373                     |
| -4.4%                | -4.4%                     |
| 5,354                | 5,354                     |
| 1,055                | 1,055                     |
| 6,427                | 6,427                     |
| 598,626,605          | 598,626,605               |
| 38,657,568           | 38,657,568                |
| 13,679               | 13,679                    |
| 11,159               | 11,159                    |
| 2,483                | 2,483                     |
| <b>\$154,496,410</b> | <b>\$154,496,410</b>      |
| 482,787,764          | 482,787,764               |
| 76%                  | 76%                       |
| 44,070               | 44,070                    |
| 99,163               | 99,163                    |
| 2.3                  | 2.3                       |

<sup>1</sup> Capitation payments apply to HMO and POS plans only

<sup>2</sup> Reflects actual paid rebates attributable to Q1 and Q2 FY17; remaining quarters estimated based on expected rebates under new ESI contract based on WTW analysis

<sup>3</sup> Program cost and PEPM values also include ASO fees and operational expenses

<sup>4</sup> Participating groups are assumed to be 100% EE funded, and Medicare retirees are assumed to be fully subsidized

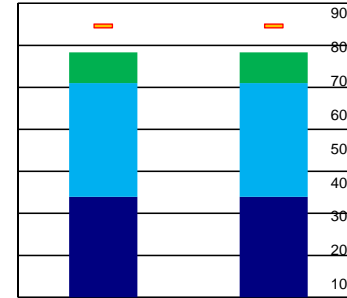
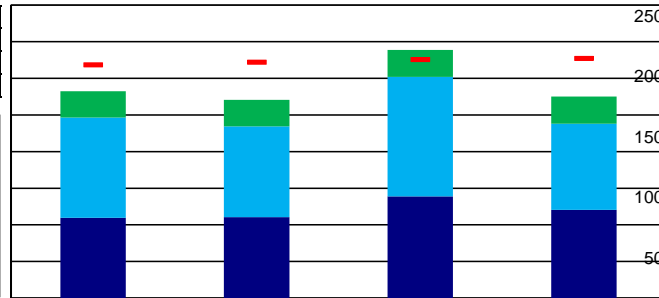
# State of Delaware

## Health Plan Quarterly Financial Reporting

### FY17 Q4 Plan Cost Analysis

|        | Drop-Down Choices |
|--------|-------------------|
| Status | Medicare Retiree  |
| Vendor | Total             |
| Plan   | Total             |

| Legend                        |
|-------------------------------|
| - Medical/Rx Budget           |
| ■ Fees and Op. Expenses       |
| ■ Rx (incl. Rebates and EGWP) |
| ■ Medical (incl. capitation)  |



|  | Q1 2017             | Q2 2017             | Q3 2017             | Q4 2017             |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Total Program Cost</b>                          | <b>\$28,222,521</b> | <b>\$27,059,719</b> | <b>\$33,860,490</b> | <b>\$27,486,638</b> |
| - Paid Claims                                      | 24,627,719          | 23,423,311          | 30,185,232          | 23,791,520          |
| - <b>Medical (includes capitation<sup>1</sup>)</b> | 10,942,056          | 11,024,832          | 13,875,760          | 12,019,282          |
| - Capitation                                       | 0                   | 0                   | 0                   | 0                   |
| - <b>Rx (Including Rebates and EGWP)</b>           | 13,685,663          | 12,398,479          | 16,309,472          | 11,772,239          |
| - Rx Paid Claims                                   | 27,721,084          | 25,190,933          | 27,295,002          | 23,921,625          |
| - EGWP   | (9,108,785)         | (8,257,575)         | (6,208,904)         | (7,257,702)         |
| - Direct Subsidy                                   | (1,995,813)         | (1,696,056)         | (1,288,622)         | (1,259,612)         |
| - CGDP   | (4,549,639)         | (3,998,185)         | (2,032,281)         | (3,110,089)         |
| - Catastrophic Reinsurance                         | (2,563,334)         | (2,563,334)         | (2,888,001)         | (2,888,001)         |
| - Rx Rebates <sup>2</sup>                          | (4,926,636)         | (4,534,879)         | (4,776,625)         | (4,891,684)         |
| - <b>ASO Fees</b>                                  | 3,341,937           | 3,380,615           | 3,416,733           | 3,435,196           |
| - <b>Operational Expenses</b>                      | 252,866             | 255,792             | 258,525             | 259,922             |
| <b>Medical/Rx Budget</b>                           | <b>\$31,839,888</b> | <b>\$32,208,120</b> | <b>\$32,552,221</b> | <b>\$32,728,124</b> |
| - Surplus/(Deficit)                                | 3,617,367           | 5,148,402           | (1,308,269)         | 5,241,486           |
| - Total Cost as % of Budget                        | 89%                 | 84%                 | 104%                | 84%                 |
| <b>Current Year Per Capita</b>                     |                     |                     |                     |                     |
| - Total per employee per year <sup>3</sup>         | 4,552               | 4,315               | 5,342               | 4,313               |
| - Total % change over prior                        | -4.3%               | 8.2%                | -4.5%               | -3.3%               |
| - Medical per employee per year                    | 2,267               | 2,260               | 2,692               | 2,388               |
| - Medical % change over prior                      | 4.3%                | 9.6%                | -1.6%               | 4.3%                |
| - Rx per employee per year                         | 2,244               | 2,014               | 2,610               | 1,884               |
| - Rx % change over prior                           | -11.8%              | 6.5%                | -7.7%               | -11.4%              |
| - Medical per member per year                      | 2,267               | 2,260               | 2,692               | 2,388               |
| - Rx per member per year                           | 2,244               | 2,014               | 2,610               | 1,884               |
| - Total per member per year <sup>3</sup>           | 4,552               | 4,315               | 5,342               | 4,313               |
| <b>Prior Year Results</b>                          | <b>Q1 2016</b>      | <b>Q2 2016</b>      | <b>Q3 2016</b>      | <b>Q4 2016</b>      |
| - Total Program Cost <sup>3</sup>                  | 28,597,356          | 24,084,871          | 34,080,028          | 27,375,469          |
| - Total Program Cost \$ change                     | -374,835            | 2,974,848           | -219,538            | 111,169             |
| - Total per employee per year <sup>3</sup>         | 4,756               | 3,989               | 5,596               | 4,460               |
| - Medical per employee per year                    | 2,174               | 2,062               | 2,734               | 2,290               |
| - Rx per employee per year                         | 2,546               | 1,891               | 2,827               | 2,126               |
| <b>EE Contributions</b>                            | <b>\$108,578</b>    | <b>\$109,554</b>    | <b>\$110,725</b>    | <b>\$110,725</b>    |
| - Net SoD <sup>4</sup>                             | 28,113,943          | 26,950,165          | 33,749,765          | 27,375,913          |
| - SoD Subsidy %                                    | 100%                | 100%                | 100%                | 100%                |
| <b>Headcount</b>                                   |                     |                     |                     |                     |
| - Enrolled Ees                                     | 24,798              | 25,085              | 25,353              | 25,490              |
| - Enrolled Members                                 | 24,798              | 25,085              | 25,353              | 25,490              |
| - Member/EE Ratio                                  | 1.0                 | 1.0                 | 1.0                 | 1.0                 |

| YTD 2017             | Proj. FY2017 <sup>4</sup> |
|----------------------|---------------------------|
| <b>\$116,629,368</b> | <b>\$116,629,368</b>      |
| 102,027,782          | 102,027,782               |
| 47,861,930           | 47,861,930                |
| 0                    | 0                         |
| 54,165,853           | 54,165,853                |
| 104,128,644          | 104,128,644               |
| (30,832,967)         | (30,832,967)              |
| (6,240,103)          | (6,240,103)               |
| (13,690,194)         | (13,690,194)              |
| (10,902,671)         | (10,902,671)              |
| (19,129,824)         | (19,129,824)              |
| 13,574,481           | 13,574,481                |
| 1,027,104            | 1,027,104                 |
| <b>\$129,328,354</b> | <b>\$129,328,354</b>      |
| 12,698,986           | 12,698,986                |
| 90%                  | 90%                       |
| 4,632                | 4,632                     |
| -1.5%                | -1.5%                     |
| 2,403                | 2,403                     |
| 3.8%                 | 3.8%                      |
| 2,188                | 2,188                     |
| -6.8%                | -6.8%                     |
| 2,403                | 2,403                     |
| 2,188                | 2,188                     |
| 4,632                | 4,632                     |
| 114,137,724          | 114,137,724               |
| 2,491,643            | 2,491,643                 |
| 4,701                | 4,701                     |
| 2,316                | 2,316                     |
| 2,347                | 2,347                     |
| <b>\$439,582</b>     | <b>\$439,582</b>          |
| 116,189,786          | 116,189,786               |
| 100%                 | 100%                      |
| 25,182               | 25,182                    |
| 25,182               | 25,182                    |
| 1.0                  | 1.0                       |

<sup>1</sup> Capitation payments apply to HMO and POS plans only

<sup>2</sup> Reflects actual paid rebates attributable to Q1 and Q2 FY17; remaining quarters estimated based on expected rebates under new ESI contract based on WTW analysis

<sup>3</sup> Program cost and PEPM values also include ASO fees and operational expenses

<sup>4</sup> Participating groups are assumed to be 100% EE funded, and Medicare retirees are assumed to be fully subsidized

**State of Delaware**  
**FY2017 Financial Analysis of Health/Rx Plans - Paid Basis**  
**Year to Date July 1, 2016 - June 30, 2017**

| Vendor                                  | Highmark     |                             |                |                           |              |                           |                           |                      |                                     |               |                | Aetna            |                                 |                  |                                 |               | Total          |
|---|--------------|-----------------------------|----------------|---------------------------|--------------|---------------------------|---------------------------|----------------------|-------------------------------------|---------------|----------------|------------------|---------------------------------|------------------|---------------------------------|---------------|----------------|
| Plan                                    | Basic Active | Basic Non Medicare Retirees | PPO Active     | PPO Non Medicare Retirees | CDH Active   | CDH Non Medicare Retirees | Medicare Primary Retirees | Blue Care HMO Active | Blue Care HMO Non Medicare Retirees | POS           | Total Highmark | Aetna HMO Active | Aetna HMO Non Medicare Retirees | Aetna CDH Active | Aetna CDH Non Medicare Retirees | Total Aetna   | Total          |
| <b>Medical</b>                          |              |                             |                |                           |              |                           |                           |                      |                                     |               |                |                  |                                 |                  |                                 |               |                |
| Paid Claims                             | \$6,509,162  | \$2,306,032                 | \$242,175,696  | \$47,745,106              | \$10,505,194 | \$1,143,183               | \$47,861,930              | \$133,674,304        | \$26,899,904                        | \$4,229,230   | \$523,049,741  | \$21,981,183     | \$5,098,866                     | \$3,362,305      | \$232,825                       | \$30,675,179  | \$553,724,920  |
| Capitation                              | \$0          | \$0                         | \$0            | \$0                       | \$0          | \$0                       | \$0                       | \$0                  | \$0                                 | \$0           | \$0            | \$2,584,090      | \$308,494                       | \$0              | \$0                             | \$2,892,584   | \$2,892,584    |
| Administration                          | \$578,685    | \$53,247                    | \$9,859,620    | \$1,783,022               | \$759,147    | \$50,735                  | \$12,649,438              | \$6,106,331          | \$1,007,550                         | \$129,727     | \$32,977,502   | \$1,292,497      | \$233,207                       | \$267,868        | \$15,823                        | \$1,809,395   | \$34,786,897   |
| Total Medical Program Cost              | \$7,087,847  | \$2,359,279                 | \$252,035,316  | \$49,528,128              | \$11,264,341 | \$1,193,919               | \$60,511,368              | \$139,780,635        | \$27,907,454                        | \$4,358,957   | \$556,027,243  | \$25,857,770     | \$5,640,567                     | \$3,630,173      | \$248,648                       | \$35,377,158  | \$591,404,401  |
| Average Number of Employees             | 1,152        | 106                         | 19,628         | 3,550                     | 1,511        | 101                       | 25,182                    | 12,156               | 2,006                               | 258           | 65,649         | 2,573            | 464                             | 533              | 32                              | 3,602         | 69,251         |
| Program Cost/Employee/Yr.               | \$6,153      | \$22,257                    | \$12,841       | \$13,954                  | \$7,454      | \$11,821                  | \$2,403                   | \$11,499             | \$13,914                            | \$16,879      | \$8,470        | \$10,050         | \$12,150                        | \$6,808          | \$7,894                         | \$9,822       | \$8,540        |
| Change from prior period (pepy)         | -4.5%        | 67.1%                       | 6.1%           | 13.9%                     | 15.3%        | -20.2%                    | 3.8%                      | 12.6%                | 7.8%                                | 24.8%         | 7.2%           | 5.8%             | -16.3%                          | -1.2%            | -3.8%                           | -0.4%         | 6.7%           |
| Average Number of Members               | 2,070        | 139                         | 46,526         | 5,297                     | 3,196        | 173                       | 25,182                    | 29,920               | 3,184                               | 498           | 116,183        | 6,193            | 768                             | 1,154            | 46                              | 8,161         | 124,344        |
| Program Cost/Member/Yr.                 | \$3,424      | \$16,943                    | \$5,417        | \$9,351                   | \$3,525      | \$6,911                   | \$2,403                   | \$4,672              | \$8,766                             | \$8,749       | \$4,786        | \$4,175          | \$7,342                         | \$3,145          | \$5,435                         | \$4,335       | \$4,756        |
| Change from prior period (pmpry)        | -4.6%        | 77.6%                       | 5.4%           | 14.7%                     | 14.4%        | -26.0%                    | 3.8%                      | 12.7%                | 7.3%                                | 26.5%         | 7.6%           | 5.7%             | -15.8%                          | -8.8%            | -10.1%                          | -1.1%         | 7.0%           |
| <b>Express Scripts, Inc.</b>            |              |                             |                |                           |              |                           |                           |                      |                                     |               |                |                  |                                 |                  |                                 |               |                |
| Paid Claims                             | \$1,104,434  | \$159,987                   | \$59,542,934   | \$14,826,114              | \$2,655,406  | \$300,158                 | \$104,128,644             | \$31,001,866         | \$7,042,157                         | \$590,209     | \$221,351,909  | \$6,433,537      | \$2,519,398                     | \$1,105,406      | \$36,604                        | \$10,094,945  | \$231,446,854  |
| Administration                          | \$42,319     | \$3,894                     | \$721,026      | \$130,391                 | \$55,516     | \$3,710                   | \$925,043                 | \$446,551            | \$73,681                            | \$9,487       | \$2,411,617    | \$94,519         | \$17,054                        | \$19,589         | \$1,157                         | \$132,320     | \$2,543,936    |
| Estimated EGWP Savings                  | \$0          | \$0                         | \$0            | \$0                       | \$0          | \$0                       | (\$30,832,967)            | \$0                  | \$0                                 | \$0           | (\$30,832,967) | \$0              | \$0                             | \$0              | \$0                             | \$0           | (\$30,832,967) |
| Estimated Rebates <sup>1</sup>          | (\$208,231)  | (\$29,300)                  | (\$11,511,552) | (\$2,730,400)             | (\$516,357)  | (\$59,375)                | (\$19,129,824)            | (\$5,906,876)        | (\$1,345,262)                       | (\$115,992)   | (\$41,553,168) | (\$1,234,393)    | (\$472,605)                     | (\$206,765)      | (\$6,366)                       | (\$1,920,128) | (\$43,473,296) |
| Total Rx Program Cost                   | \$938,522    | \$134,581                   | \$48,752,408   | \$12,226,104              | \$2,194,565  | \$244,494                 | \$55,090,895              | \$25,541,541         | \$5,770,577                         | \$483,704     | \$151,377,391  | \$5,293,663      | \$2,063,848                     | \$918,230        | \$31,395                        | \$8,307,136   | \$159,684,527  |
| Average Number of Employees             | 1,152        | 106                         | 19,628         | 3,550                     | 1,511        | 101                       | 25,182                    | 12,156               | 2,006                               | 258           | 65,649         | 2,573            | 464                             | 533              | 32                              | 3,602         | 69,251         |
| Program Cost/Employee/Yr.               | \$815        | \$1,270                     | \$2,484        | \$3,444                   | \$1,452      | \$2,421                   | \$2,188                   | \$2,101              | \$2,877                             | \$1,873       | \$2,306        | \$2,057          | \$4,446                         | \$1,722          | \$997                           | \$2,306       | \$2,306        |
| Change from prior period (pepy)         | -4.9%        | -23.7%                      | -4.4%          | -6.2%                     | 6.1%         | 18.0%                     | -6.8%                     | -2.9%                | -6.5%                               | 3.6%          | -5.5%          | -5.6%            | 16.9%                           | -1.2%            | -15.3%                          | -1.4%         | -5.3%          |
| Average Number of Members               | 2,070        | 139                         | 46,526         | 5,297                     | 3,196        | 173                       | 25,182                    | 29,920               | 3,184                               | 498           | 116,183        | 6,193            | 768                             | 1,154            | 46                              | 8,161         | 124,344        |
| Program Cost/Member/Yr.                 | \$453        | \$966                       | \$1,048        | \$2,308                   | \$687        | \$1,415                   | \$2,188                   | \$854                | \$1,813                             | \$971         | \$1,303        | \$855            | \$2,686                         | \$796            | \$686                           | \$1,018       | \$1,284        |
| Change from prior period (pmpry)        | -5.0%        | -18.9%                      | -5.1%          | -5.6%                     | 5.2%         | 9.4%                      | -6.8%                     | -2.9%                | -7.0%                               | 5.0%          | -5.1%          | -5.7%            | 17.6%                           | -8.8%            | -20.8%                          | -2.2%         | -5.0%          |
| <b>Total Medical and Rx</b>             |              |                             |                |                           |              |                           |                           |                      |                                     |               |                |                  |                                 |                  |                                 |               |                |
| Premium                                 | \$13,625,549 | \$1,061,750                 | \$323,317,306  | \$46,147,001              | \$20,850,522 | \$1,346,556               | \$129,328,354             | \$186,782,236        | \$24,615,173                        | \$2,986,539   | \$750,060,985  | \$38,921,728     | \$5,833,439                     | \$7,071,817      | \$362,976                       | \$52,189,961  | \$802,250,946  |
| Program Cost (prior to operational)     | \$8,026,369  | \$2,493,860                 | \$300,787,723  | \$61,754,233              | \$13,458,906 | \$1,438,413               | \$115,602,263             | \$165,322,176        | \$33,678,031                        | \$4,842,661   | \$707,404,634  | \$31,151,433     | \$7,704,415                     | \$4,548,403      | \$280,044                       | \$43,684,294  | \$751,088,928  |
| Operational Expenses                    | \$46,988     | \$4,324                     | \$800,578      | \$144,777                 | \$61,641     | \$4,120                   | \$1,027,104               | \$495,820            | \$81,811                            | \$10,534      | \$2,677,695    | \$104,948        | \$18,936                        | \$21,750         | \$1,285                         | \$146,919     | \$2,824,614    |
| Total Program Cost                      | \$8,073,357  | \$2,498,184                 | \$301,588,301  | \$61,899,010              | \$13,520,547 | \$1,442,532               | \$116,629,368             | \$165,817,996        | \$33,759,841                        | \$4,853,194   | \$710,082,329  | \$31,256,380     | \$7,723,350                     | \$4,570,153      | \$281,329                       | \$43,831,213  | \$753,913,542  |
| Surplus / (Deficit)                     | \$5,552,193  | (\$1,436,434)               | \$21,729,005   | (\$15,752,009)            | \$7,329,975  | (\$95,976)                | \$12,698,986              | \$20,964,240         | (\$9,144,668)                       | (\$1,866,655) | \$39,978,656   | \$7,665,348      | (\$1,889,912)                   | \$2,501,664      | \$81,648                        | \$8,358,748   | \$48,337,404   |
| <b>Total Cost as % of Budget</b>        | <b>59.3%</b> | <b>235.3%</b>               | <b>93.3%</b>   | <b>134.1%</b>             | <b>64.8%</b> | <b>107.1%</b>             | <b>90.2%</b>              | <b>88.8%</b>         | <b>137.2%</b>                       | <b>162.5%</b> | <b>94.7%</b>   | <b>80.3%</b>     | <b>132.4%</b>                   | <b>64.6%</b>     | <b>77.5%</b>                    | <b>84.0%</b>  | <b>94.0%</b>   |
| Average Number of Employees             | 1,152        | 106                         | 19,628         | 3,550                     | 1,511        | 101                       | 25,182                    | 12,156               | 2,006                               | 258           | 65,649         | 2,573            | 464                             | 533              | 32                              | 3,602         | 69,251         |
| Program Cost/Employee/Yr.               | \$7,008      | \$23,568                    | \$15,365       | \$17,439                  | \$8,947      | \$14,282                  | \$4,632                   | \$13,641             | \$16,832                            | \$18,793      | \$10,816       | \$12,148         | \$16,636                        | \$8,570          | \$8,931                         | \$12,169      | \$10,887       |
| Change from prior period (pepy)         | -4.5%        | 56.9%                       | 4.3%           | 9.3%                      | 13.7%        | -15.5%                    | -1.5%                     | 9.9%                 | 5.1%                                | 22.3%         | 4.2%           | 3.7%             | -9.4%                           | -1.1%            | -5.2%                           | -0.5%         | 3.9%           |
| Average Number of Members               | 2,070        | 139                         | 46,526         | 5,297                     | 3,196        | 173                       | 25,182                    | 29,920               | 3,184                               | 498           | 116,183        | 6,193            | 768                             | 1,154            | 46                              | 8,161         | 124,344        |
| Program Cost/Member/Yr.                 | \$3,901      | \$17,940                    | \$6,482        | \$11,686                  | \$4,231      | \$8,350                   | \$4,632                   | \$5,542              | \$10,605                            | \$9,740       | \$6,112        | \$5,047          | \$10,053                        | \$3,959          | \$6,149                         | \$5,371       | \$6,063        |
| Change from prior period (pmpry)        | -4.6%        | 66.8%                       | 3.5%           | 10.0%                     | 12.8%        | -21.7%                    | -1.5%                     | 9.9%                 | 4.6%                                | 23.9%         | 4.6%           | 3.6%             | -8.8%                           | -8.8%            | -11.4%                          | -1.3%         | 4.2%           |
| <b>Prior Period Program Cost (FY16)</b> |              |                             |                |                           |              |                           |                           |                      |                                     |               |                |                  |                                 |                  |                                 |               |                |
| <b>Per Employee Per Year</b>            |              |                             |                |                           |              |                           |                           |                      |                                     |               |                |                  |                                 |                  |                                 |               |                |
| Medical                                 | \$6,442      | \$13,318                    | \$12,098       | \$12,248                  | \$6,463      | \$14,821                  | \$2,316                   | \$10,210             | \$12,903                            | \$13,522      | \$7,903        | \$9,502          | \$14,518                        | \$6,888          | \$8,205                         | \$9,857       | \$8,003        |
| Rx                                      | \$857        | \$1,663                     | \$2,598        | \$3,673                   | \$1,369      | \$2,052                   | \$2,347                   | \$2,164              | \$3,077                             | \$1,807       | \$2,439        | \$2,180          | \$3,803                         | \$1,743          | \$1,177                         | \$2,339       | \$2,434        |
| Total <sup>2</sup>                      | \$7,337      | \$15,019                    | \$14,734       | \$15,959                  | \$7,869      | \$16,910                  | \$4,701                   | \$12,411             | \$16,018                            | \$15,366      | \$10,380       | \$11,719         | \$18,358                        | \$8,669          | \$9,419                         | \$12,234      | \$10,475       |
| <b>Per Member Per Year</b>              |              |                             |                |                           |              |                           |                           |                      |                                     |               |                |                  |                                 |                  |                                 |               |                |
| Medical                                 | \$3,590      | \$9,540                     | \$5,140        | \$8,154                   | \$3,081      | \$9,343                   | \$2,316                   | \$4,147              | \$8,170                             | \$6,917       | \$4,449        | \$3,950          | \$8,718                         | \$3,448          | \$6,046                         | \$4,385       | \$4,445        |
| Rx                                      | \$477        | \$1,191                     | \$1,104        | \$2,445                   | \$653        | \$1,293                   | \$2,347                   | \$879                | \$1,948                             | \$924         | \$1,373        | \$906            | \$2,284                         | \$873            | \$867                           | \$1,041       | \$1,352        |
| Total <sup>2</sup>                      | \$4,088      | \$10,759                    | \$6,260        | \$10,624                  | \$3,752      | \$10,661                  | \$4,701                   | \$5,041              | \$10,142                            | \$7,861       | \$5,844        | \$4,871          | \$11,024                        | \$4,340          | \$6,941                         | \$5,442       | \$5,818        |

<sup>1</sup> Reflects actual paid rebates attributable to Q1 and Q2 FY17; remaining quarters estimated based on expected rebates under new ESI contract based on WTW analysis

<sup>2</sup> Includes Medical, Rx, and Operational Expenses



**State of Delaware****Health Plan Quarterly Financial Reporting****FY17 Q4 Reporting Reconciliation (WTW vs OMB Fund Equity Report)**

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| <b>FY17 YTD Reporting Reconciliation</b>      | <b>WTW FY17 Q4 Financial Report</b> | <b>OMB June 2017 Fund Equity Report</b> |
|---|-------------------------------------|---|
| <b>Total Program Cost</b>                     | <b>\$753,913,542</b>                | <b>\$816,918,666</b>                    |
| <b>Paid Claims</b>                            | 788,064,358                         | 776,763,219                             |
| Medical Claims                                | 556,617,504                         | 545,047,149                             |
| Rx Claims <sup>1</sup>                        | 157,140,591                         | 231,716,071                             |
| Rx Paid Claims                                | 231,446,854                         | 231,716,071                             |
| EGWP  | (30,832,967)                        | 33,679,689                              |
| Direct Subsidy                                | (6,240,103)                         | 6,370,741                               |
| CGDP  | (13,690,194)                        | 14,518,553                              |
| Catastrophic Reinsurance                      | (10,902,671)                        | 12,790,395                              |
| Rx Rebates                                    | (43,473,296)                        | 45,740,548                              |
| Total Rx Claim (Offsets)/Revenue <sup>2</sup> | (74,306,263)                        | 79,420,237                              |
| <b>Total Fees</b>                             | 40,155,447                          | 40,155,447                              |
| ASO Fees                                      | 37,330,833                          | 37,330,833                              |
| Operational Expenses                          | 2,824,614                           | 2,824,614                               |
| <b>Premium Contributions<sup>3</sup></b>      | <b>\$802,250,946</b>                | <b>\$801,028,633</b>                    |
| <b>Budget<sup>4</sup></b>                     | <b>\$802,250,946</b>                | <b>\$880,715,759</b>                    |
| Surplus/(Deficit)                             | 48,337,404                          | 63,797,093                              |
| Total Cost as % of Budget                     | 94%                                 | 93%                                     |

<sup>1</sup>WTW Rx claims shown net of EGWP revenue and Rx rebates. OMB Rx claims reflect gross claim dollars excluding additional revenue (EGWP and rebates).

<sup>2</sup>WTW reflects EGWP revenue and Rx rebates as offsets to Rx claims. OMB reflects these items as additions to operating revenues.

<sup>3</sup>OMB premium contributions include participating group fees.

<sup>4</sup>OMB budget includes premium contributions, Rx revenues (EGWP and rebates) and other revenues totaling \$266,890.

## State of Delaware

### Health Plan Quarterly Financial Reporting FY17 Q4 High Cost Claims Analysis

#### Summary

- Through June 2017, there are 643 members with claims over \$100k for a total of \$129.8M
- The top 20 claimants by paid claims are summarized in the table below:

| Cumulative Medical Claims Total |          |              |        |       |  |                    |                   |                    |               |
|---------------------------------|----------|--------------|--------|-------|--|--------------------|-------------------|--------------------|---------------|
| Status                          | Vendor   | Relationship | Gender | Age   | Leading Diagnosis  | Previously Engaged | Currently Engaged | Reason Not Engaged | YTD Paid      |
| Active                          | Highmark | Child        | Female | 0-9   | ATRIOVENTRICULAR SEPTAL DEFECT                                 | Y                  | Y                 |                    | \$2,278,682   |
| Termed                          | Highmark | Employee     | Female | 50-59 | ACUTE KIDNEY FAILURE WITH TUBULAR NECROSIS                     | Y                  | Y                 |                    | \$1,493,210   |
| Active                          | Highmark | Child        | Female | 0-9   | GENERALIZED IDIOPATHIC EPILEPSY AND EPILEPTIC SYNDROMES        | N                  | Y                 |                    | \$1,168,605   |
| Active                          | Highmark | Employee     | Male   | 40-49 | ACUTE LYMPHOBLASTIC LEUKEMIA, IN RELAPSE                       | N                  | Y                 |                    | \$846,892     |
| Active                          | Highmark | Spouse       | Female | 40-49 | HIDRADENITIS SUPPURATIVA                                       | Y                  | Y                 |                    | \$825,539     |
| Non-Medicare Retiree            | Highmark | Child        | Female | 30-39 | FOREIGN BODY IN STOMACH, INITIAL ENCOUNTER                     | Y                  | Y                 |                    | \$733,626     |
| Non-Medicare Retiree            | Highmark | Employee     | Female | 60-69 | POSTPROCEDURAL COMPLICATIONS AND DISORDERS OF DIGESTIVE SYSTEM | N                  | Y                 |                    | \$724,510     |
| Active                          | Highmark | Child        | Male   | 0-9   | OTHER DISORDERS OF LUNG  | Y                  | Y                 |                    | \$717,176     |
| Active                          | Highmark | Child        | Female | 0-9   | TETRALOGY OF FALLOT  | N                  | Y                 |                    | \$705,005     |
| Active                          | Highmark | Employee     | Male   | 50-59 | ENCOUNTER FOR ANTINEOPLASTIC CHEMOTHERAPY                      | Y                  | Y                 |                    | \$683,113     |
| Termed                          | Highmark | Employee     | Male   | 60-69 | HYPERTENSIVE HEART AND CHRONIC KIDNEY DISEASE                  | Y                  | Y                 |                    | \$669,252     |
| Termed                          | Highmark | Spouse       | Male   | 60-69 | MYELOID LEUKEMIA, UNSPECIFIED IN REMISSION                     | Y                  | Y                 |                    | \$651,321     |
| Active                          | Highmark | Spouse       | Female | 50-59 | ACUTE MYELOID LEUKEMIA WITH 11Q23-ABNORMALITY IN REMISSION     | N                  | Y                 |                    | \$621,530     |
| Active                          | Highmark | Spouse       | Male   | 50-59 | SEPSIS DUE TO METHICILLIN RESISTANT STAPHYLOCOCCUS AUREUS      | N                  | Y                 |                    | \$599,675     |
| Termed                          | Highmark | Spouse       | Male   | 60-69 | ENCOUNTER FOR ANTINEOPLASTIC CHEMOTHERAPY                      | N                  | Y                 |                    | \$598,295     |
| Active                          | Highmark | Spouse       | Male   | 60-69 | ACUTE MONOBLASTIC/MONOCYTIC LEUKEMIA                           | N                  | Y                 |                    | \$577,853     |
| Active                          | Highmark | Child        | Female | 10-19 | SPASTIC QUADRIPLAGIC CEREBRAL PALSY                            | Y                  | Y                 |                    | \$573,728     |
| Active                          | Highmark | Employee     | Female | 50-59 | ENCOUNTER FOR ANTINEOPLASTIC CHEMOTHERAPY                      | Y                  | Y                 |                    | \$562,004     |
| Termed                          | Highmark | Child        | Male   | 0-9   | TWIN LIVEBORN INFANT, DELIVERED BY CESAREAN                    | N                  | Y                 |                    | \$558,681     |
| Active                          | Highmark | Child        | Male   | 10-19 | ANOXIC BRAIN DAMAGE  | N                  | Y                 |                    | \$556,275     |
| Top 20 HCC's above \$100k       |          |              |        |       |  |                    |                   |                    | \$16,144,971  |
| Total HCC's above \$100k        |          |              |        |       |  |                    |                   |                    | \$129,802,908 |

**State of Delaware**  
Health Plan Quarterly Financial Reporting  
Assumptions and Caveats

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**Claim basis and timing**

- 1 All reporting provided on a paid basis within this document.
- 2 FY2017 represents the time period July 1, 2016 through June 30, 2017 for all statuses; note Medicfill plan for Medicare eligible retirees runs from January 1, 2017 through December 31, 2017. Therefore, FY2017 financial results span two plan years for the Medicare eligible population.

**Enrollment**

- 3 Medical and Rx enrollment based on quarterly tiered enrollment data from Highmark and Aetna.
- 4 Highmark quarterly reports do not provide enrollment data split by State and Participating. For FY2017 Q4: we assumed State / Participating split follows the same ratio as the monthly June Highmark enrollment report. The ratio is calculated by status (Active, non-Medicare eligible retiree, and Medicare eligible retiree), by plan and by contracts/members. This assumption will be updated quarterly.
- 5 All Medicare eligible retirees are assumed to be enrolled in medical and Rx coverage.

**Benefit costs/fees**

- 6 Medical quarterly paid claims from Highmark and Aetna; Rx quarterly paid claims from ESI; EGWP subsidies and Rx rebates (Active, non-Medicare eligible retiree, and Medicare eligible retiree) from OMB.
- 7 Administration fees and operational expenses from OMB-provided June FY2017 monthly fund equity report, as PEPM values were not provided; total quarterly fees are assigned to each plan on a contract count basis.
  - a. ASO Fees: includes fees for vendor administration, COBRA administration, ACA-related (TRF & PCORI), Truven data analytics, EAP and Segal and WTW consulting fees.
  - b. Operational Expenses: includes expenses for items such as staff salaries, supplies, etc.
- 8 Pharmacy drug rebates are shown based on the period to which rebates are attributable and reflect actual rebates received for Q1 and Q2 and estimated payments based on prior quarters as a percentage of paid claims for Q3 and Q4; active/non-Medicare eligible retiree rebates assigned to each plan on a contract count basis; Medicare eligible retiree rebates reflect estimated CY2016 true-up payment. May differ from actual payments received during FY2017 due to payment timing lag; estimated rebates reflect updated ESI contract effective 7/1/2016 following WTW independent contract analysis.
- 9 EGWP payments based on actual and expected payments attributable to the period July 1, 2016 through June 30, 2017; reflects actual direct subsidy reimbursements received, actual coverage gap discount payments for Q1, Q2 and Q3, estimated coverage gap discount payments for Q4, projected Calendar Year 2016 catastrophic reinsurance payments from ESI, and estimated Calendar Year 2017 catastrophic reinsurance payment (calculated by WTW). May differ from actual payments received during FY2017 due to payment timing lag.
- 10 Prior year costs calculated from WTW's FY16 Q4 Financial Reporting.

**Budget/contributions**

- 11 Active and non-Medicare eligible retiree budget rates and contributions reflect rates effective July 1, 2016. Medicare eligible retiree budget rates reflect rates effective January 1, 2016 for FY17 Q1 and Q2, and rates effective January 1, 2017 for FY17 Q3 and Q4. Budget rates include FY17 risk fees for Participating groups (excludes \$2.70 PEPM charge). All rates developed by Segal.
- 12 Premiums and employee contributions are the product of monthly budget rate/contribution and quarterly average tiered contract counts provided by the medical vendors.
- 13 Highmark quarterly reports do not provide enrollment data split by retirement date. All Medicare eligible retirees are assumed to have retired prior to July 1, 2012, and therefore do not contribute towards the cost of premiums. As a result of this conservative assumption, the healthcare program's net cost to the State may be overstated.
- 14 Participating groups are assumed to be 100% employee paid in order to estimate the healthcare program's net cost to the State; actual employee contributions vary and are difficult to capture since each group pays premiums at different times.
- 15 While COBRA enrollment and claims are reflected in the expenses, all medical/Rx participants are assumed to pay active contributions since COBRA participants make up less than 0.1% of the total population.
- 16 HRA funding for CDH plans are included in the paid claims reported in this document.

## State of Delaware

### Health Plan Quarterly Financial Reporting

#### Glossary of Important Health Care Terms

| Terminology                                       | Acronym | Definition   |
|---|---------|--|
| Administrative Services Only                      | ASO     | When an organization funds its own employee benefit plan, such as a health insurance program, and it hires an outside firm to perform specific administrative services. Also referred to as "self-funded". Currently, the GHIP has ASO contracts with Aetna, Highmark and Express Scripts.   |
| Capitation  | n/a     | Fixed payment amount (per member) to a physician or group of physicians for a defined set of services for a defined set of members. Fixed or "capitated" payment per member provides physician with an incentive for meeting quality and cost efficiency outcomes, since the physician is responsible for any costs incurred above the capitated amount. May be risk adjusted based on the demographics of the member population or changes in the member population. Often used for <i>bundled payments</i> or other <i>value-based payments</i> .        |
| Consumer Driven Health Plan                       | CDHP    | Allows members to use health savings accounts (HSA), health reimbursement accounts (HRA), or other similar medical payment products to pay routine health care expenses directly. GHIP currently offers a CDHP with HRA.   |
| Coverage Gap Discount Program                     | CGDP    | One of the funding components of an EGWP. Manufacturers provide discounts on covered Part D brand prescription drugs to Medicare beneficiaries while in the coverage gap.  |
| Employee  | EE      | A person employed for wages or salary.   |
| Employer Group Waiver Plans                       | EGWP    | A Center for Medicare Service (CMS) approved program for both employers and unions. An employer may contract directly with CMS or go through an approved TPA, such as ESI, to establish the plan. They are usually Self Funded, are integrated with Medicare Part D, and sometimes include a fully insured "wrapper" around the plan to cover non-Medicare Part D prescription drugs. GHIP currently contracts with ESI as the TPA and includes a "wrapper," which is referred to as an enhanced benefit.  |
| Fiscal Year                                       | FY      | A year as reckoned for taxing or accounting purposes. GHIP fiscal year runs from July 1st through June 30th.   |
| Health Maintenance Organization                   | HMO     | A form of health insurance combining a range of coverages in a group basis. A group of doctors and other medical professionals offer care through the HMO for a flat monthly rate. However, only visits to professionals within the HMO network are covered by the policy. All visits, prescriptions and other care must be cleared by the HMO in order to be covered. A primary physician within the HMO handles referrals.   |
| Health Reimbursement Account                      | HRA     | Employer-funded account that reimburses employees for out-of-pocket medical expenses. Employees can choose how to use their HRA funds to pay for medical expenses, but the employer can determine what expenses are reimbursable by the HRA (e.g., employers often designate prescription drug expenses as ineligible for reimbursement by an HRA). Funds are owned by the employer and are tax-deductible to the employee. GHIP only offers HRA to employees and non-Medicare eligible retirees who enroll in the CDH Gold plan.                          |
| High Cost Claimant                                | HCC     | An insured who incurs claims over a catastrophic claim limit during the plan year. For purposes of cost tracking, this threshold is \$100K.  |
| Per Employee Per Month                            | PEPM    | A monthly cost basis measured on an employee/contract/subscriber level   |
| Per Employee Per Year                             | PEPY    | A yearly cost basis measured on an employee/contract/subscriber level  |
| Per Member Per Month                              | PMPM    | A monthly cost basis measured on a member level  |
| Per Member Per Year                               | PMPY    | A yearly cost basis measured on a member level   |
| Patient-Centered Outcomes Research Trust Fund Fee | PCORI   | The Patient-Centered Outcomes Research Trust Fund fee is a fee on plan sponsors of self-insured health plans that helps to fund the Patient-Centered Outcomes Research Institute (PCORI). The institute will assist, through research, patients, clinicians, purchasers and policy-makers, in making informed health decisions by advancing the quality and relevance of evidence-based medicine. The institute will compile and distribute comparative clinical effectiveness research findings. This fee is part of the Affordable Care Act legislation. |

**State of Delaware**

## Health Plan Quarterly Financial Reporting

## Glossary of Important Health Care Terms

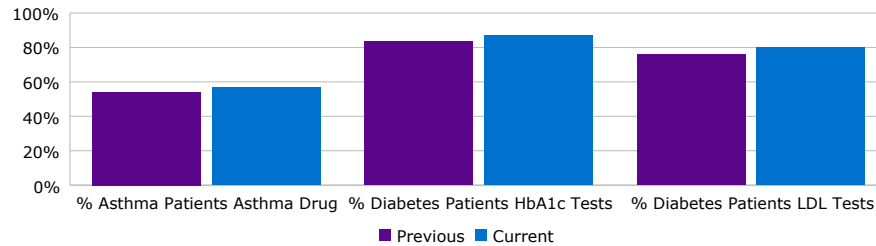
|                                 |     |  |
|---------------------------------|-----|--|
| Point-of-Service                | POS | A type of managed care plan that is a hybrid of HMO and PPO plans. Like an HMO, participants designate an in-network physician to be their primary care provider. But like a PPO, patients may go outside of the provider network for health care services. GHIP only offers this type of plan to Port of Wilmington employees.  |
| Preferred Provider Organization | PPO | A health care organization composed of physicians, hospitals, or other providers which provides health care services at a reduced fee. A PPO is similar to an HMO, but care is paid for as it is received instead of in advance in the form of a scheduled fee. PPOs may also offer more flexibility by allowing for visits to out-of-network professionals at a greater expense to the policy holder. Visits within the network require only the payment of a small fee. There is often a deductible for out-of-network expenses and a higher co-payment. |
| Transitional Reinsurance Fee    | TRF | Fee collected by the transitional reinsurance program to fund reinsurance payments to issuers of non-grandfathered reinsurance-eligible individual market plans, the administrative costs of operating the reinsurance program, and the General Fund of the U.S. Treasury for the 2014, 2015, and 2016 benefit years. This fee is part of the Affordable Care Act legislation, and ends after the 2016 benefit year.   |
| Year to Date                    | YTD | A period, starting from the beginning of the current year (either the calendar year or fiscal year) and continuing up to the present day. For this financial reporting document, YTD refers to the time period of July 1, 2016 to June 30, 2017  |

# State of Delaware Medical and Prescription Drug Dashboard - Actives

Previous Period: Jul 2015 - Jun 2016 (Paid)

Current Period: Jul 2016 - Jun 2017 (Paid)

## 1. Quality Metrics\*



\*Quality Metrics are based on Incurred Rolling Year.

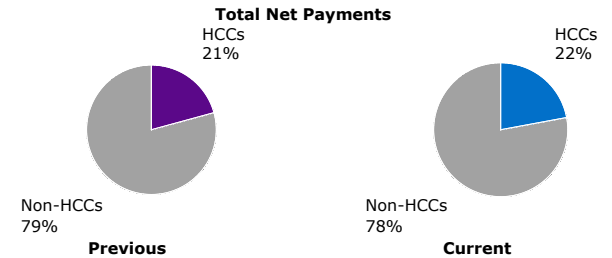
## 3. Well Care and Preventive Visits

|                               | Previous | Current | Trend  |
|-------------------------------|----------|---------|--------|
| Visits Per 1000 Well Baby     | 391.3    | 348.1   | -11.0% |
| Visits Per 1000 Well Child    | 849.7    | 813.4   | -4.3%  |
| Visits Per 1000 Prevent Adult | 432.0    | 455.5   | 5.4%   |

## 4. Medical Plan Eligibility

|                   | Previous | Current | Trend  |
|-------------------|----------|---------|--------|
| Average Employees | 37,357   | 37,649  | 1%     |
| Average Members   | 88,184   | 88,752  | 1%     |
| Family Size       | 2.4      | 2.4     | 0%     |
| Member Age        | 33.1     | 33.0    | 0%     |
| Members % Male    | 47%      | 47%     | 0% pts |

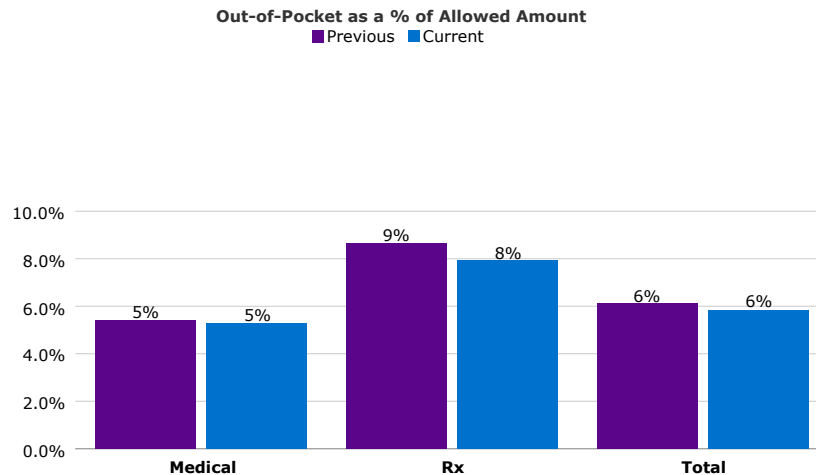
## 2. High Cost Claimants\*



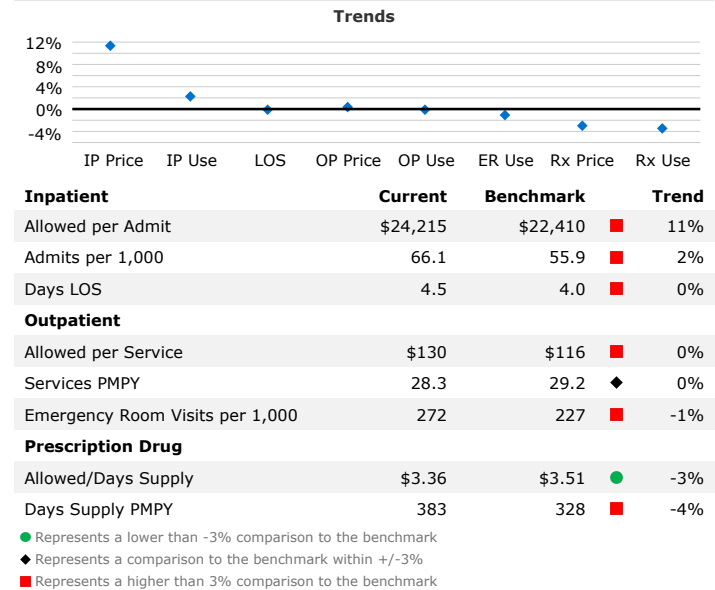
\*Members with >=\$100,000 in Medical and Rx Net Payments

|                        | Previous  | Current   | Trend |
|------------------------|-----------|-----------|-------|
| Patients               | 572       | 609       | 6%    |
| Patients per 1,000     | 5.9       | 6.3       | 6%    |
| Payments (in millions) | \$103.1   | \$113.7   | 10%   |
| Payment per Patient    | \$180,240 | \$186,658 | 4%    |

## 5. Cost Sharing



## 6. Price and Use

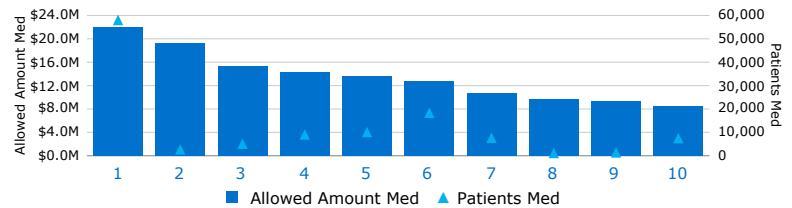


# State of Delaware Medical and Prescription Drug Dashboard - Actives

Previous Period: Jul 2015 - Jun 2016 (Paid)

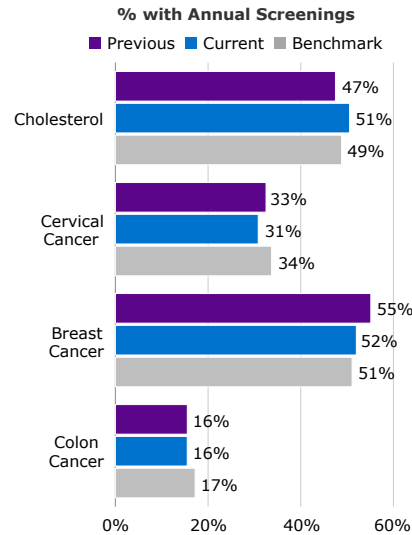
Current Period: Jul 2016 - Jun 2017 (Paid)

## 7. Top Medical Conditions (by cost)

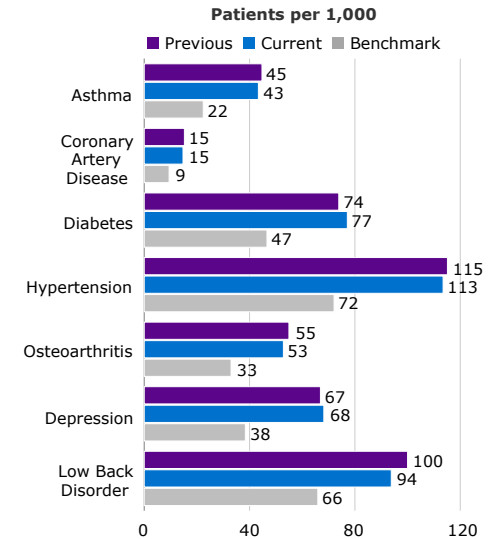


| Condition                        | Allowed Amount Med | Patients Med | Med Allowed /Patient |
|----------------------------------|--------------------|--------------|----------------------|
| 1 Prevent/Admin Hlth Encounters  | \$22,044,020       | 58,064       | \$380                |
| 2 Pregnancy without Delivery     | \$19,169,528       | 2,725        | \$7,035              |
| 3 Osteoarthritis                 | \$15,344,553       | 5,129        | \$2,992              |
| 4 Spinal/Back Disord, Low Back   | \$14,241,105       | 9,107        | \$1,564              |
| 5 Gastroint Disord, NEC          | \$13,545,333       | 10,156       | \$1,334              |
| 6 Arthropathies/Joint Disord NEC | \$12,769,713       | 18,397       | \$694                |
| 7 Respiratory Disord, NEC        | \$10,698,901       | 7,700        | \$1,389              |
| 8 Newborns, w/wo Complication    | \$9,645,348        | 1,191        | \$8,099              |
| 9 Coronary Artery Disease        | \$9,278,663        | 1,430        | \$6,489              |
| 10 Spinal/Back Disord, Ex Low    | \$8,537,190        | 7,539        | \$1,132              |

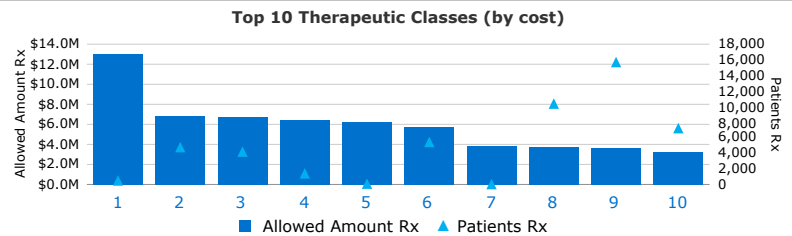
## 8. Screening Rates



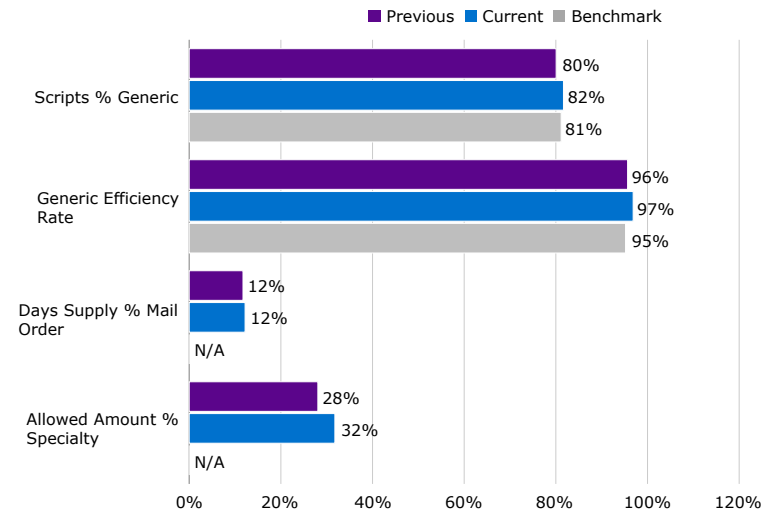
## 9. Chronic Condition Prevalence



## 10. Prescription Drug Metrics



| Therapeutic Class                  | Allowed Amount Rx | Patients Rx | Rx Allowed /Patient |
|------------------------------------|-------------------|-------------|---------------------|
| 1 Immunosuppressants, NEC          | \$13,063,956      | 512         | \$25,516            |
| 2 Stimulant, Amphetamine Type      | \$6,837,542       | 4,793       | \$1,427             |
| 3 Antidiabetic Agents, Misc        | \$6,756,407       | 4,212       | \$1,604             |
| 4 Antidiabetic Agents, Insulins    | \$6,458,945       | 1,426       | \$4,529             |
| 5 Biological Response Modifiers    | \$6,200,101       | 106         | \$58,492            |
| 6 Antivirals, NEC                  | \$5,777,051       | 5,455       | \$1,059             |
| 7 Molecular Targeted Therapy       | \$3,810,086       | 51          | \$74,708            |
| 8 Antihyperlipidemic Drugs, NEC    | \$3,784,457       | 10,380      | \$365               |
| 9 Adrenals & Comb, NEC             | \$3,672,964       | 15,707      | \$234               |
| 10 Gastrointestinal Drug Misc, NEC | \$3,246,478       | 7,229       | \$449               |



# State of Delaware Medical and Prescription Drug Dashboard - Actives

## Dashboard Glossary

### General

- **Claims** are completed for claims incurred but not yet recorded (IBNR)
- **Benchmark** represents 2015 U.S. Total MarketScan norms that are age, gender, geographic, and/or severity adjusted as appropriate
- **PMPY** stands for Per Member Per Year and is weighted based on the number of months a member was enrolled in medical benefits
- **Allowed Amount (Allowed)** is the amount of submitted charges eligible for payment for medical and prescription drug claims; it is the amount eligible after applying pricing guidelines, but before deducting third party, copayment, coinsurance, or deductible amounts
- **Net Payment (Payment)** is the net amount paid by the company for medical and prescription drug claims; it represents the amount after all pricing guidelines have been applied, and all third party, copayment, coinsurance, and deductible amounts have been subtracted
- **Inpatient (IP)** represents claims for services provided under medical coverage in an acute inpatient setting; acute inpatient settings include inpatient hospitals, birthing centers, inpatient psychiatric facilities, and residential substance abuse treatment facilities
- **Outpatient (OP)** represents claims for medical services provided in any non-inpatient setting
- **Prescription Drug (Rx)** represents any claim paid under the pharmacy benefit
- **Patients** represents any member with a claim for the service (e.g., medical or prescription drug) being reported during the time period

### 1. Well Care and Preventive Visits

### 2. High Cost Claimants

- High Cost Claimants (HCCs) are members with \$100,000 or more in medical and prescription drug net payments incurred during the year
- Non-High Cost Claimants (HCCs) are members with less than \$100,000 in medical and prescription drug net payments incurred during the year

### 3. Quality Metrics

### 4. Medical Plan Eligibility

- **Average Employees** represents the number of employees with medical coverage; each employee is counted once for each month of their eligibility, then the total is averaged across the total number of months of eligibility during the time period
- **Average Members** represents the number of members with medical coverage; each member is counted once for each month of their eligibility, then the total is averaged across the total number of months of eligibility during the time period
- **Family Size** represents the average number of covered members per subscriber
- **Member Age** represents the average age of covered members during the year
- **Members % Male** represents the number of male members as a percent of total members

### 5. Risk Score

#### The Member Risk Score represents the DCG non-rescaled concurrent score

- The Member Risk Score is produced using the Verisk DCG® model
- This model measures the health risk of a population relative to the national average as of the time the model was developed (i.e., 100)

### 6. Price and Use

- **Current** represents your Price or Use rate in the Current year
- **Benchmark** represents the U.S. Total MarketScan norm for the Price or Use rate
- The **Symbol** next to the Benchmark represents your Current rate compared to the Norm
- The **Trend** represents your year-over-year trend for the Price or Use rate

### 7. Cost Sharing

#### The cost sharing percentage represents Out-of-Pocket divided by Allowed Amounts

- Out-of-Pocket represents the amount paid out-of-pocket by the member for facility, professional, and prescription drug services; this generally includes coinsurance, copayment, and deductible amounts

### 8. Top Medical Conditions (by cost)

- Conditions represent Truven Health Clinical Condition groupings, based on ICD-9 and ICD-10 diagnosis codes
- Clinical conditions include medical claims (i.e., prescription drug is not included)
- Note: The clinical condition of *Signs/Symptoms/Oth Cond, NEC* is excluded from this exhibit

### 9. Screening Rates

- **Cholesterol** identifies lipid screening tests for males aged 35+ years and females aged 45+ years; lipid screening tests include lipid panels, serum cholesterol tests, blood lipoprotein tests (e.g., HDL, LDL), and triglyceride tests [source for age and gender criteria: US Preventive Services Task Force]
- **Cervical Cancer** identifies the percentage of females aged 21 to 64 who received cervical cancer screening services [source for age, gender, procedure, diagnosis, and revenue code criteria: NCQA HEDIS 2014]
- **Breast Cancer** identifies the percentage of females aged 50 to 74 who received mammography services [source for age, gender, diagnosis, procedure, and revenue code criteria: NCQA HEDIS 2014]
- **Colon Cancer** identifies the percentage of adults aged 50 to 75 who received colon cancer screening services [source for age, diagnosis and procedure criteria: NCQA HEDIS 2014]

### 10. Chronic Condition Prevalence

- Conditions represent Truven Health Clinical Condition groupings, based on ICD-9 and ICD-10 diagnosis codes
- Chronic conditions identified based on medical claims

### 11. Prescription Drug Metrics

- **Therapeutic Class** represents the Redbook Therapeutic Class Intermediary
- **Scripts % Generic** is the number of prescriptions filled with a generic drug, expressed as a percentage of all prescriptions filled
- **Generic Efficiency Rate** is the number of prescriptions filled with a generic drug, expressed as a percentage of all prescriptions filled that could have been filled with a generic drug
- **Days Supply % Mail Order** is the percent of all prescription days supply filled via mail order
- **Allowed Amount % Specialty** is the percent of total prescription drug allowed amounts that were for medications considered to be specialty drugs (identified using Truven Health Service Categories)

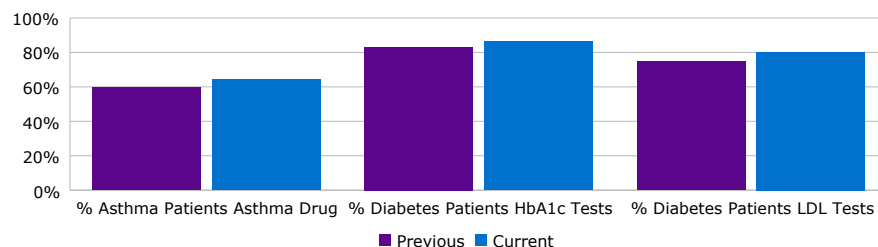


# Medical and Prescription Drug Dashboard - Early Retirees

Previous Period: Jul 2015 - Jun 2016 (Paid)

Current Period: Jul 2016 - Jun 2017 (Paid)

## 1. Quality Metrics\*



\*Quality Metrics are based on Incurred Rolling Year.

## 3. Well Care and Preventive Visits

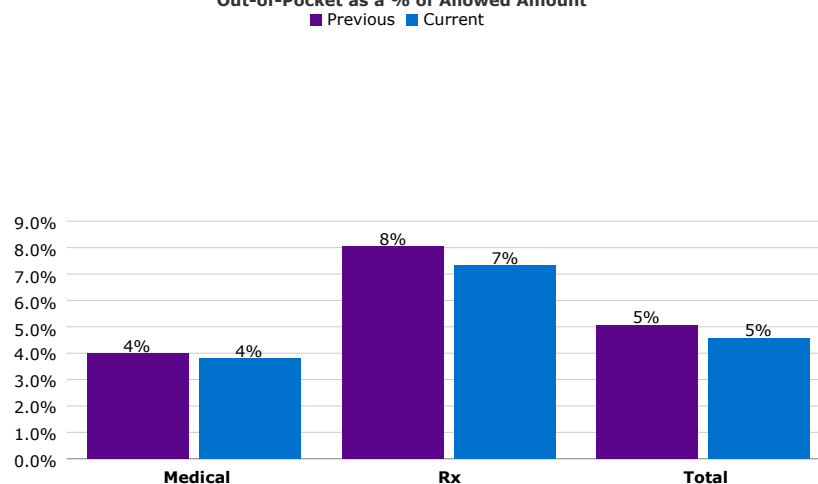
|                               | Previous | Current | Trend  |
|-------------------------------|----------|---------|--------|
| Visits Per 1000 Well Baby     | 152.8    | 79.9    | -47.7% |
| Visits Per 1000 Well Child    | 720.9    | 694.2   | -3.7%  |
| Visits Per 1000 Prevent Adult | 440.5    | 466.2   | 5.8%   |

## 4. Medical Plan Eligibility

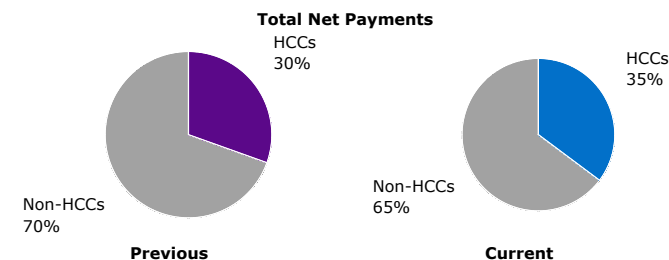
|                   | Previous | Current | Trend  |
|-------------------|----------|---------|--------|
| Average Employees | 6,049    | 6,007   | -1%    |
| Average Members   | 9,308    | 9,247   | -1%    |
| Family Size       | 1.5      | 1.5     | 0%     |
| Member Age        | 51.1     | 51.1    | 0%     |
| Members % Male    | 41%      | 41%     | 0% pts |

## 5. Cost Sharing

Out-of-Pocket as a % of Allowed Amount



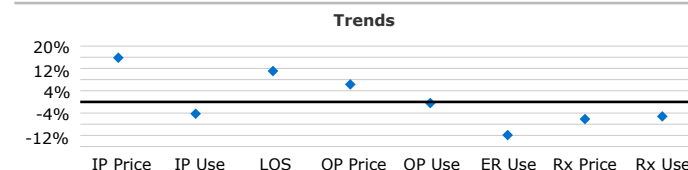
## 2. High Cost Claimants\*



\*Members with >=\$100,000 in Medical and Rx Net Payments

|                        | Previous  | Current   | Trend |
|------------------------|-----------|-----------|-------|
| Patients               | 192       | 213       | 11%   |
| Patients per 1,000     | 17.3      | 19.1      | 11%   |
| Payments (in millions) | \$30.1    | \$35.7    | 19%   |
| Payment per Patient    | \$156,680 | \$167,813 | 7%    |

## 6. Price and Use



|                                 | Current  | Benchmark | Trend |
|---------------------------------|----------|-----------|-------|
| <b>Inpatient</b>                |          |           |       |
| Allowed per Admit               | \$35,110 | \$32,070  | 16%   |
| Admits per 1,000                | 92.0     | 69.2      | -5%   |
| Days LOS                        | 6.2      | 5.0       | 11%   |
| <b>Outpatient</b>               |          |           |       |
| Allowed per Service             | \$147    | \$116     | 6%    |
| Services PMPY                   | 45.5     | 42.3      | 0%    |
| Emergency Room Visits per 1,000 | 317      | 232       | -12%  |
| <b>Prescription Drug</b>        |          |           |       |
| Allowed/Days Supply             | \$3.27   | \$3.10    | -6%   |
| Days Supply PMPY                | 812      | 681       | -5%   |

● Represents a lower than -3% comparison to the benchmark

◆ Represents a comparison to the benchmark within +/-3%

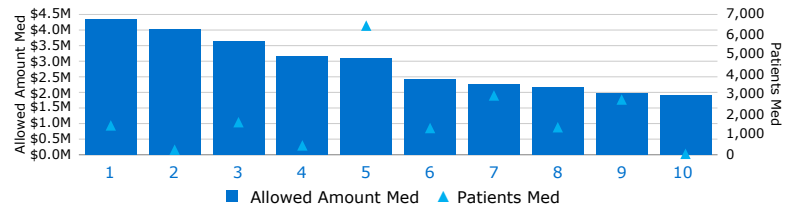
■ Represents a higher than 3% comparison to the benchmark

# Medical and Prescription Drug Dashboard - Early Retirees

Previous Period: Jul 2015 - Jun 2016 (Paid)

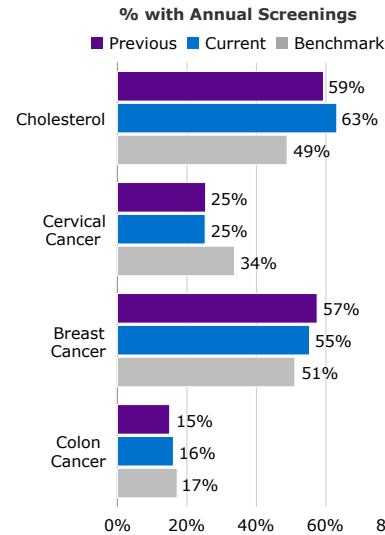
Current Period: Jul 2016 - Jun 2017 (Paid)

## 7. Top Medical Conditions (by cost)

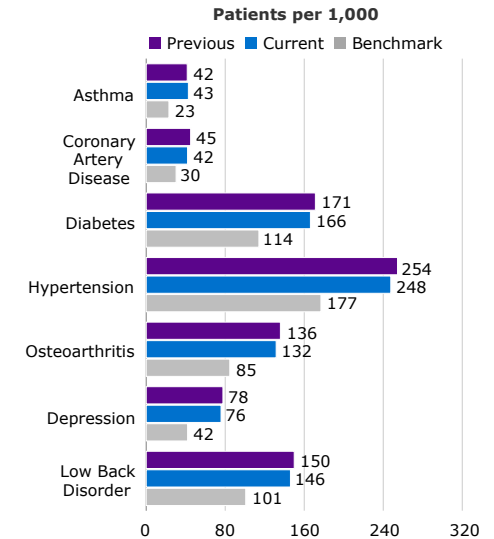


| Condition                        | Allowed Amount Med | Patients Med | Med Allowed /Patient |
|----------------------------------|--------------------|--------------|----------------------|
| 1 Osteoarthritis                 | \$4,345,110        | 1,464        | \$2,968              |
| 2 Renal Function Failure         | \$4,033,869        | 253          | \$15,944             |
| 3 Spinal/Back Disord, Low Back   | \$3,654,994        | 1,625        | \$2,249              |
| 4 Coronary Artery Disease        | \$3,144,480        | 466          | \$6,748              |
| 5 Prevent/Admin Hlth Encounters  | \$3,102,319        | 6,443        | \$482                |
| 6 Respiratory Disord, NEC        | \$2,429,751        | 1,334        | \$1,821              |
| 7 Arthropathies/Joint Disord NEC | \$2,274,707        | 2,959        | \$769                |
| 8 Gastroint Disord, NEC          | \$2,157,722        | 1,373        | \$1,572              |
| 9 Hypertension, Essential        | \$1,957,265        | 2,756        | \$710                |
| 10 Chemotherapy Encounters       | \$1,907,098        | 47           | \$40,577             |

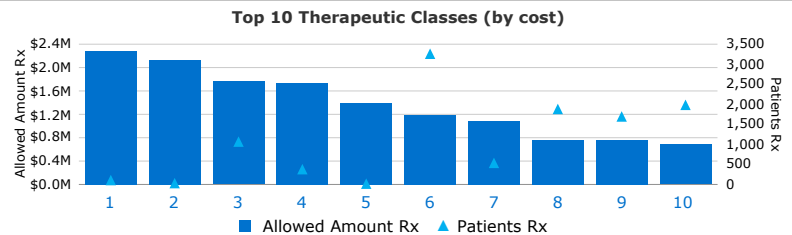
## 8. Screening Rates



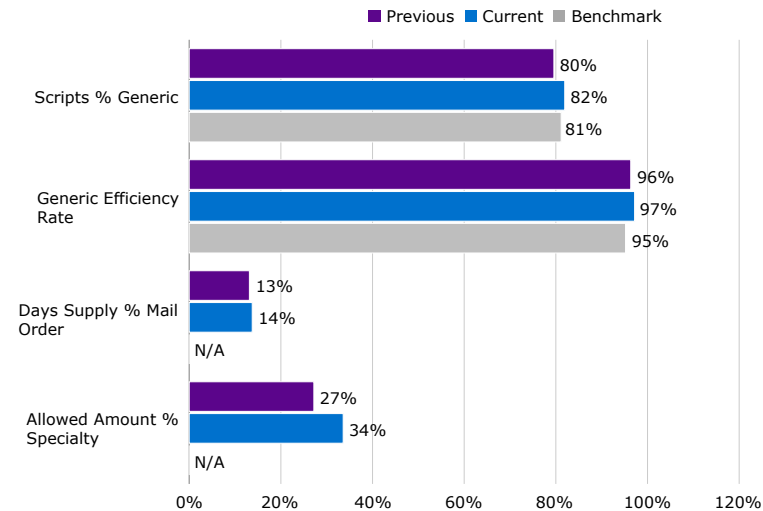
## 9. Chronic Condition Prevalence



## 10. Prescription Drug Metrics



| Therapeutic Class                 | Allowed Amount Rx | Patients Rx | Rx Allowed /Patient |
|-----------------------------------|-------------------|-------------|---------------------|
| 1 Immunosuppressants, NEC         | \$2,289,425       | 110         | \$20,813            |
| 2 Biological Response Modifiers   | \$2,123,386       | 34          | \$62,453            |
| 3 Antidiabetic Agents, Misc       | \$1,762,126       | 1,069       | \$1,648             |
| 4 Antidiabetic Agents, Insulins   | \$1,742,380       | 382         | \$4,561             |
| 5 Molecular Targeted Therapy      | \$1,386,431       | 20          | \$69,322            |
| 6 Antihyperlipidemic Drugs, NEC   | \$1,192,417       | 3,262       | \$366               |
| 7 Antivirals, NEC                 | \$1,093,601       | 539         | \$2,029             |
| 8 Analg/Antipyr, Opiate Agonists  | \$768,723         | 1,884       | \$408               |
| 9 Gastrointestinal Drug Misc, NEC | \$757,258         | 1,697       | \$446               |
| 10 Adrenals & Comb, NEC           | \$683,322         | 1,987       | \$344               |



# Medical and Prescription Drug Dashboard - Early Retirees

## Dashboard Glossary

### General

- **Claims** are completed for claims incurred but not yet recorded (IBNR)
- **Benchmark** represents 2015 U.S. Total MarketScan norms that are age, gender, geographic, and/or severity adjusted as appropriate
- **PMPY** stands for Per Member Per Year and is weighted based on the number of months a member was enrolled in medical benefits
- **Allowed Amount (Allowed)** is the amount of submitted charges eligible for payment for medical and prescription drug claims; it is the amount eligible after applying pricing guidelines, but before deducting third party, copayment, coinsurance, or deductible amounts
- **Net Payment (Payment)** is the net amount paid by the company for medical and prescription drug claims; it represents the amount after all pricing guidelines have been applied, and all third party, copayment, coinsurance, and deductible amounts have been subtracted
- **Inpatient (IP)** represents claims for services provided under medical coverage in an acute inpatient setting; acute inpatient settings include inpatient hospitals, birthing centers, inpatient psychiatric facilities, and residential substance abuse treatment facilities
- **Outpatient (OP)** represents claims for medical services provided in any non-inpatient setting
- **Prescription Drug (Rx)** represents any claim paid under the pharmacy benefit
- **Patients** represents any member with a claim for the service (e.g., medical or prescription drug) being reported during the time period

### 1. Well Care and Preventive Visits

### 2. High Cost Claimants

- High Cost Claimants (HCCs) are members with \$100,000 or more in medical and prescription drug net payments incurred during the year
- Non-High Cost Claimants (HCCs) are members with less than \$100,000 in medical and prescription drug net payments incurred during the year

### 3. Quality Metrics

### 4. Medical Plan Eligibility

- **Average Employees** represents the number of employees with medical coverage; each employee is counted once for each month of their eligibility, then the total is averaged across the total number of months of eligibility during the time period
- **Average Members** represents the number of members with medical coverage; each member is counted once for each month of their eligibility, then the total is averaged across the total number of months of eligibility during the time period
- **Family Size** represents the average number of covered members per subscriber
- **Member Age** represents the average age of covered members during the year
- **Members % Male** represents the number of male members as a percent of total members

### 5. Risk Score

#### The Member Risk Score represents the DCG non-rescaled concurrent score

- The Member Risk Score is produced using the Verisk DCG® model
- This model measures the health risk of a population relative to the national average as of the time the model was developed (i.e., 100)

### 6. Price and Use

- **Current** represents your Price or Use rate in the Current year
- **Benchmark** represents the U.S. Total MarketScan norm for the Price or Use rate
- The **Symbol** next to the Benchmark represents your Current rate compared to the Norm
- The **Trend** represents your year-over-year trend for the Price or Use rate

### 7. Cost Sharing

#### The cost sharing percentage represents Out-of-Pocket divided by Allowed Amounts

- Out-of-Pocket represents the amount paid out-of-pocket by the member for facility, professional, and prescription drug services; this generally includes coinsurance, copayment, and deductible amounts

### 8. Top Medical Conditions (by cost)

- Conditions represent Truven Health Clinical Condition groupings, based on ICD-9 and ICD-10 diagnosis codes
- Clinical conditions include medical claims (i.e., prescription drug is not included)
- Note: The clinical condition of *Signs/Symptoms/Oth Cond, NEC* is excluded from this exhibit

### 9. Screening Rates

- **Cholesterol** identifies lipid screening tests for males aged 35+ years and females aged 45+ years; lipid screening tests include lipid panels, serum cholesterol tests, blood lipoprotein tests (e.g., HDL, LDL), and triglyceride tests [source for age and gender criteria: US Preventive Services Task Force]
- **Cervical Cancer** identifies the percentage of females aged 21 to 64 who received cervical cancer screening services [source for age, gender, procedure, diagnosis, and revenue code criteria: NCQA HEDIS 2014]
- **Breast Cancer** identifies the percentage of females aged 50 to 74 who received mammography services [source for age, gender, diagnosis, procedure, and revenue code criteria: NCQA HEDIS 2014]
- **Colon Cancer** identifies the percentage of adults aged 50 to 75 who received colon cancer screening services [source for age, diagnosis and procedure criteria: NCQA HEDIS 2014]

### 10. Chronic Condition Prevalence

- Conditions represent Truven Health Clinical Condition groupings, based on ICD-9 and ICD-10 diagnosis codes
- Chronic conditions identified based on medical claims

### 11. Prescription Drug Metrics

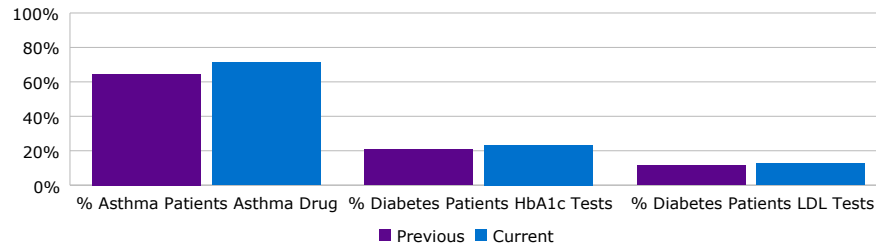
- **Therapeutic Class** represents the Redbook Therapeutic Class Intermediary
- **Scripts % Generic** is the number of prescriptions filled with a generic drug, expressed as a percentage of all prescriptions filled
- **Generic Efficiency Rate** is the number of prescriptions filled with a generic drug, expressed as a percentage of all prescriptions filled that could have been filled with a generic drug
- **Days Supply % Mail Order** is the percent of all prescription days supply filled via mail order
- **Allowed Amount % Specialty** is the percent of total prescription drug allowed amounts that were for medications considered to be specialty drugs (identified using Truven Health Service Categories)

# Medical and Prescription Drug Dashboard - Medicare Retirees

Previous Period: Jul 2015 - Jun 2016 (Paid)

Current Period: Jul 2016 - Jun 2017 (Paid)

## 1. Quality Metrics\*



\*Quality Metrics are based on Incurred Rolling Year.

## 3. Well Care and Preventive Visits

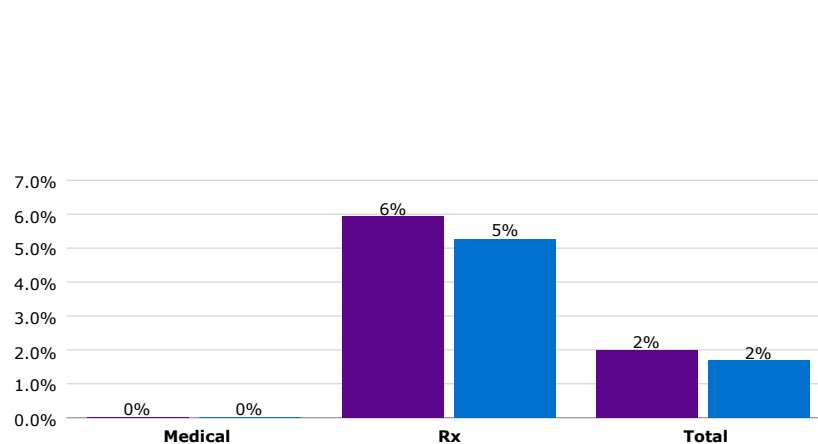
|                               | Previous | Current | Trend |
|-------------------------------|----------|---------|-------|
| Visits Per 1000 Well Baby     | 137.9    | 153.1   | 11.0% |
| Visits Per 1000 Prevent Adult | 158.2    | 177.0   | 11.9% |

## 4. Medical Plan Eligibility

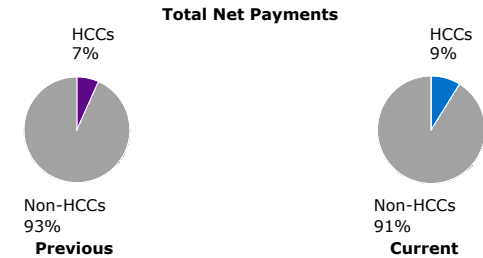
|                   | Previous | Current | Trend  |
|-------------------|----------|---------|--------|
| Average Employees | 22,204   | 23,088  | 4%     |
| Average Members   | 22,214   | 23,103  | 4%     |
| Family Size       | 1.0      | 1.0     | 0%     |
| Member Age        | 73.2     | 73.3    | 0%     |
| Members % Male    | 42%      | 42%     | 0% pts |

## 5. Cost Sharing

Out-of-Pocket as a % of Allowed Amount



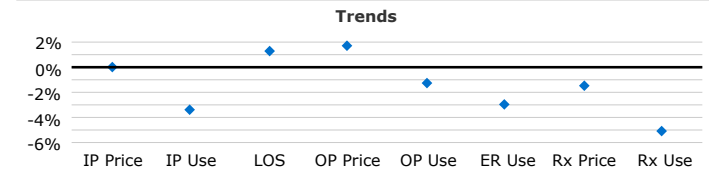
## 2. High Cost Claimants\*



\*Members with >=\$100,000 in Medical and Rx Net Payments

|                        | Previous  | Current   | Trend |
|------------------------|-----------|-----------|-------|
| Patients               | 76        | 113       | 49%   |
| Patients per 1,000     | 3.2       | 4.6       | 43%   |
| Payments (in millions) | \$9.4     | \$12.3    | 31%   |
| Payment per Patient    | \$123,442 | \$108,950 | -12%  |

## 6. Price and Use



|                                 | Current  | Benchmark | Trend |
|---------------------------------|----------|-----------|-------|
| <b>Inpatient</b>                |          |           |       |
| Allowed per Admit               | \$15,525 | \$27,543  | 0%    |
| Admits per 1,000                | 181.2    | 58.0      | -3%   |
| Days LOS                        | 5.4      | 4.2       | 1%    |
| <b>Outpatient</b>               |          |           |       |
| Allowed per Service             | \$103    | \$115     | 2%    |
| Services PMPY                   | 71.6     | 30.9      | -1%   |
| Emergency Room Visits per 1,000 | 541      | 227       | -3%   |
| <b>Prescription Drug</b>        |          |           |       |
| Allowed/Days Supply             | \$3.10   | \$3.42    | -1%   |
| Days Supply PMPY                | 1,507    | 377       | -5%   |

● Represents a lower than -3% comparison to the benchmark

◆ Represents a comparison to the benchmark within +/-3%

■ Represents a higher than 3% comparison to the benchmark

Jul 28, 2017

Confidential - Prepared by Truven Health Analytics, an IBM Company

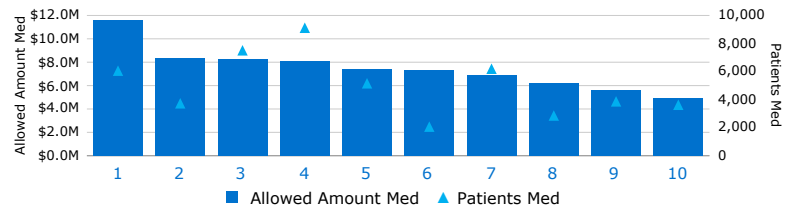
1 of 3

# Medical and Prescription Drug Dashboard - Medicare Retirees

Previous Period: Jul 2015 - Jun 2016 (Paid)

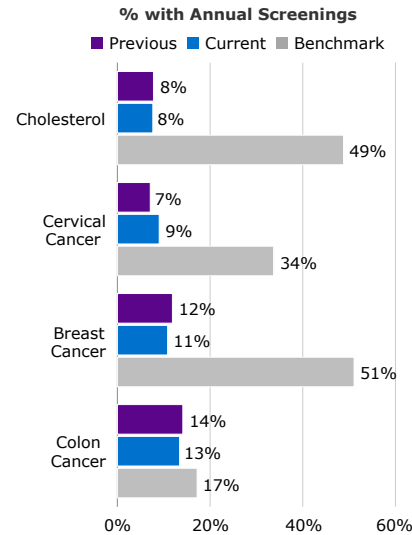
Current Period: Jul 2016 - Jun 2017 (Paid)

## 7. Top Medical Conditions (by cost)

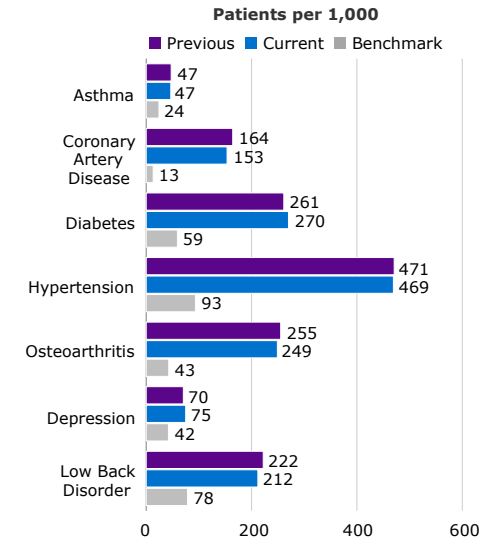


| Condition                        | Allowed Amount Med | Patients Med | Med Allowed /Patient |
|----------------------------------|--------------------|--------------|----------------------|
| 1 Osteoarthritis                 | \$11,608,928       | 6,064        | \$1,914              |
| 2 Coronary Artery Disease        | \$8,349,384        | 3,738        | \$2,234              |
| 3 Eye Disorders, Degenerative    | \$8,260,987        | 7,516        | \$1,099              |
| 4 Arthropathies/Joint Disord NEC | \$8,090,779        | 9,124        | \$887                |
| 5 Spinal/Back Disord, Low Back   | \$7,367,870        | 5,164        | \$1,427              |
| 6 Renal Function Failure         | \$7,332,949        | 2,074        | \$3,536              |
| 7 Respiratory Disord, NEC        | \$6,904,481        | 6,200        | \$1,114              |
| 8 Cerebrovascular Disease        | \$6,167,077        | 2,867        | \$2,151              |
| 9 Cardiac Arrhythmias            | \$5,607,262        | 3,876        | \$1,447              |
| 10 Infections, NEC               | \$4,897,129        | 3,634        | \$1,348              |

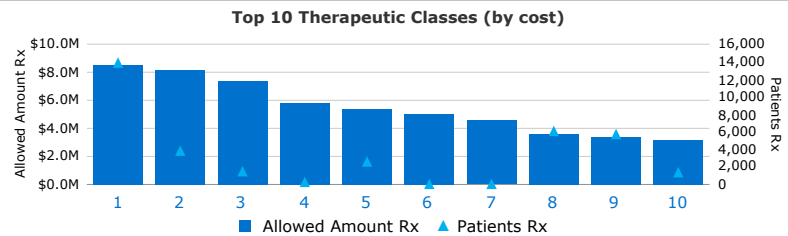
## 8. Screening Rates



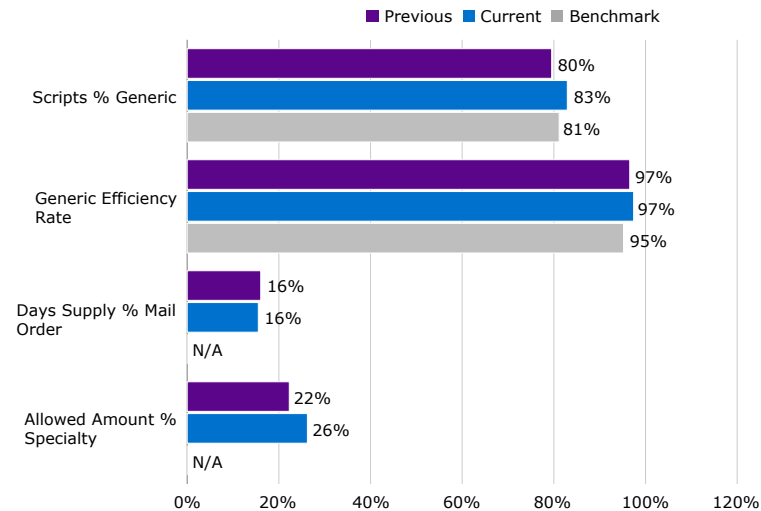
## 9. Chronic Condition Prevalence



## 10. Prescription Drug Metrics



| Therapeutic Class                 | Allowed Amount Rx | Patients Rx | Rx Allowed /Patient |
|-----------------------------------|-------------------|-------------|---------------------|
| 1 Antihyperlipidemic Drugs, NEC   | \$8,509,399       | 13,902      | \$612               |
| 2 Antidiabetic Agents, Misc       | \$8,165,104       | 3,860       | \$2,115             |
| 3 Antidiabetic Agents, Insulins   | \$7,407,585       | 1,518       | \$4,880             |
| 4 Immunosuppressants, NEC         | \$5,789,512       | 300         | \$19,298            |
| 5 Coag/Anticoag, Anticoagulants   | \$5,395,335       | 2,620       | \$2,059             |
| 6 Molecular Targeted Therapy      | \$4,996,711       | 71          | \$70,376            |
| 7 Biological Response Modifiers   | \$4,560,887       | 75          | \$60,812            |
| 8 Gastrointestinal Drug Misc, NEC | \$3,607,462       | 6,106       | \$591               |
| 9 Adrenals & Comb, NEC            | \$3,360,784       | 5,748       | \$585               |
| 10 CNS Agents, Misc.              | \$3,168,946       | 1,402       | \$2,260             |



# Medical and Prescription Drug Dashboard - Medicare Retirees

## Dashboard Glossary

### General

- **Claims** are completed for claims incurred but not yet recorded (IBNR)
- **Benchmark** represents 2015 U.S. Total MarketScan norms that are age, gender, geographic, and/or severity adjusted as appropriate
- **PMPY** stands for Per Member Per Year and is weighted based on the number of months a member was enrolled in medical benefits
- **Allowed Amount (Allowed)** is the amount of submitted charges eligible for payment for medical and prescription drug claims; it is the amount eligible after applying pricing guidelines, but before deducting third party, copayment, coinsurance, or deductible amounts
- **Net Payment (Payment)** is the net amount paid by the company for medical and prescription drug claims; it represents the amount after all pricing guidelines have been applied, and all third party, copayment, coinsurance, and deductible amounts have been subtracted
- **Inpatient (IP)** represents claims for services provided under medical coverage in an acute inpatient setting; acute inpatient settings include inpatient hospitals, birthing centers, inpatient psychiatric facilities, and residential substance abuse treatment facilities
- **Outpatient (OP)** represents claims for medical services provided in any non-inpatient setting
- **Prescription Drug (Rx)** represents any claim paid under the pharmacy benefit
- **Patients** represents any member with a claim for the service (e.g., medical or prescription drug) being reported during the time period

### 1. Well Care and Preventive Visits

### 2. High Cost Claimants

- High Cost Claimants (HCCs) are members with \$100,000 or more in medical and prescription drug net payments incurred during the year
- Non-High Cost Claimants (HCCs) are members with less than \$100,000 in medical and prescription drug net payments incurred during the year

### 3. Quality Metrics

### 4. Medical Plan Eligibility

- **Average Employees** represents the number of employees with medical coverage; each employee is counted once for each month of their eligibility, then the total is averaged across the total number of months of eligibility during the time period
- **Average Members** represents the number of members with medical coverage; each member is counted once for each month of their eligibility, then the total is averaged across the total number of months of eligibility during the time period
- **Family Size** represents the average number of covered members per subscriber
- **Member Age** represents the average age of covered members during the year
- **Members % Male** represents the number of male members as a percent of total members

### 5. Risk Score

#### The Member Risk Score represents the DCG non-rescaled concurrent score

- The Member Risk Score is produced using the Verisk DCG® model
- This model measures the health risk of a population relative to the national average as of the time the model was developed (i.e., 100)

### 6. Price and Use

- **Current** represents your Price or Use rate in the Current year
- **Benchmark** represents the U.S. Total MarketScan norm for the Price or Use rate
- The **Symbol** next to the Benchmark represents your Current rate compared to the Norm
- The **Trend** represents your year-over-year trend for the Price or Use rate

### 7. Cost Sharing

#### The cost sharing percentage represents Out-of-Pocket divided by Allowed Amounts

- Out-of-Pocket represents the amount paid out-of-pocket by the member for facility, professional, and prescription drug services; this generally includes coinsurance, copayment, and deductible amounts

### 8. Top Medical Conditions (by cost)

- Conditions represent Truven Health Clinical Condition groupings, based on ICD-9 and ICD-10 diagnosis codes
- Clinical conditions include medical claims (i.e., prescription drug is not included)
- Note: The clinical condition of *Signs/Symptoms/Oth Cond, NEC* is excluded from this exhibit

### 9. Screening Rates

- **Cholesterol** identifies lipid screening tests for males aged 35+ years and females aged 45+ years; lipid screening tests include lipid panels, serum cholesterol tests, blood lipoprotein tests (e.g., HDL, LDL), and triglyceride tests [source for age and gender criteria: US Preventive Services Task Force]
- **Cervical Cancer** identifies the percentage of females aged 21 to 64 who received cervical cancer screening services [source for age, gender, procedure, diagnosis, and revenue code criteria: NCQA HEDIS 2014]
- **Breast Cancer** identifies the percentage of females aged 50 to 74 who received mammography services [source for age, gender, diagnosis, procedure, and revenue code criteria: NCQA HEDIS 2014]
- **Colon Cancer** identifies the percentage of adults aged 50 to 75 who received colon cancer screening services [source for age, diagnosis and procedure criteria: NCQA HEDIS 2014]

### 10. Chronic Condition Prevalence

- Conditions represent Truven Health Clinical Condition groupings, based on ICD-9 and ICD-10 diagnosis codes
- Chronic conditions identified based on medical claims

### 11. Prescription Drug Metrics

- **Therapeutic Class** represents the Redbook Therapeutic Class Intermediary
- **Scripts % Generic** is the number of prescriptions filled with a generic drug, expressed as a percentage of all prescriptions filled
- **Generic Efficiency Rate** is the number of prescriptions filled with a generic drug, expressed as a percentage of all prescriptions filled that could have been filled with a generic drug
- **Days Supply % Mail Order** is the percent of all prescription days supply filled via mail order
- **Allowed Amount % Specialty** is the percent of total prescription drug allowed amounts that were for medications considered to be specialty drugs (identified using Truven Health Service Categories)